



Socialist Mode of Production



Ostrovityanov K.V., Shepilov D.T.
Leontiev L.A., Laptev I.D.
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Translated From The Political Economy Text Book
State publishing house of political literature. Moscow. 1954

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Foreword

This textbook of political economy was written by a team of economists consisting of Academician K. V. Ostrovityanov, Corresponding Member of the USSR Academy of Sciences D. T. Shepilov, Corresponding Member of the USSR Academy of Sciences L. A. Leontiev, Full Member of the All-Union Academy of Agricultural Sciences named after Lenin Laptev I D., Professor Kuzminov I. I., Doctor of Economic Sciences Gatovsky L. M., Academician Yudin P. F., Corresponding Member of the Academy of Sciences of the USSR Pashkov A. I., Candidate of Economic Sciences Pereslegin V. I. In the selection and The processing of statistical materials included in the textbook was attended by Doctor of Economic Sciences V. N. Starovsky.

In developing the draft textbook, many Soviet economists made valuable critical remarks and made a number of useful suggestions on the text. These comments and suggestions were taken into account by the authors in subsequent work on the textbook.

The economic discussion organized by the Central Committee of the Communist Party of the Soviet Union in November 1951, organized by the Central Committee of the Communist Party of the Soviet Union, was of great importance for the work on the textbook. During this discussion, in which hundreds of Soviet economists took an active part, the draft textbook of political economy presented by the authors was subjected to a comprehensive critical analysis. The proposals developed as a result of the discussion on improving the draft textbook were an important source for improving the structure of the textbook and enriching its content.

The final edition of the textbook was carried out by comrades: Ostrovityanov K.V., Shepilov D.T., Leontiev L.A., Laptev I.D., Kuzminov I.I., Gatovsky L.M.

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Introduction

Political economy is one of the social sciences. [1] It studies the laws of social production and distribution of material goods at various stages of the development of human society.

The basis of society is material production. In order to live, people must have food, clothing, and other material goods. In order to have these goods, people must produce them, they must work.

People produce material goods, that is, they fight against nature, not alone, but together, in groups, societies. Consequently, production is always and under all conditions social production, and labor is the activity of social man.

The process of production of material goods involves the following points: 1) human labor, 2) the object of labor and 3) means of labor.

Labor is the purposeful activity of man, in the process of which he modifies and adapts the objects of nature to satisfy his needs. Labor is a natural necessity, an indispensable condition for the existence of people. Without labor, human life itself would be impossible.

The object of labor is everything to which human labor is directed. The objects of labor can be directly given by nature itself, for example, a tree that is cut in the forest, or an ore that is extracted from the bowels of the earth. Objects of labor that have previously been exposed to labor, such as ore in a metallurgical plant, cotton in a spinning mill, are called raw materials or raw materials.

The means of labor are all those things with the help of which a person acts on the object of his labor and modifies it. First of all, the instruments of production belong to the means of labor, as well as land, industrial buildings, roads, canals, warehouses, etc. In the composition of the means of labor, the determining role belongs to the instruments of production. These include a variety of tools that a person uses in his labor activity, starting with the crude stone tools of primitive people and ending with modern machines. The level of

development of the instruments of production serves as a measure of society's power over nature, a measure of the development of production. Economic epochs differ not in what is produced, but in how it is produced, by what means of production.

The objects of labor and means of labor constitute the means of production. The means of production in themselves, apart from labor power, are only a heap of dead things. In order for the labor process to begin, labor power must be combined with the instruments of production.

Labor power is a person's ability to work, the totality of a person's physical and spiritual forces, thanks to which he is able to produce material goods. Labor power is the active element of production, it sets the means of production in motion. With the development of the instruments of production, the ability of a person to work, his skills, skills, and production experience also develop.

The instruments of production, with the help of which material goods are produced, the people who set these tools in motion and carry out the production of material goods thanks to certain production experience and skills for work, constitute the productive forces of society. The working masses are the main productive force of human society at all stages of its development.

Productive forces express the attitude of people towards the objects and forces of nature used to produce material goods. However, in production, people influence not only nature, but also each other. "They cannot produce without uniting in a certain way for joint activity and for the mutual exchange of their activity. In order to produce, people enter into certain connections and relations, and only through these social connections and relations does their relation to nature exist, does production take place. Certain connections and relations of people in the process of production of material goods constitute relations of production.

The nature of production relations depends on who owns the means of production (land, forests, water, subsoil, raw materials, tools of production, production buildings, means of communication and communication, etc.) - in the ownership of individuals, social groups or classes using these means to exploit the working people, or owned by society, the purpose of which is to satisfy the material and cultural needs of the masses of the people, of society as a whole. The state of production relations shows how the means of production and, consequently, also the material goods produced by people are distributed among the members of society. Thus, the basis of production relations is a certain form of ownership of the means of production.

The relations of production also determine the corresponding relations of distribution. Distribution is the link between production and consumption.

The products produced in society serve industrial or personal consumption. Production consumption is the use of means of production to create wealth. Personal consumption is the satisfaction of a person's needs for food, clothing, housing, etc.

The distribution of produced articles of personal consumption depends on the distribution of the means of production. In a capitalist society, the means of production belong to the capitalists, which means that the products of labor also belong to the capitalists. The workers are deprived of the means of production and, in order not to die of hunger, they are forced to work for the capitalists, who appropriate the products of their labor. In a socialist society, the means of production are public property. In view of this, the products of labor belong to the working people themselves.

In social formations where there is commodity production, the distribution of material goods is carried out through the exchange of goods.

Production, distribution, exchange, and consumption constitute a unity in which the decisive role belongs to production.

The totality of "relations of production constitutes the economic structure of society, the real basis on which the legal and political superstructure rises and to which certain forms of social consciousness correspond" [3]. Having been born, the superstructure, in turn, exerts a reverse active influence on the basis, accelerating or delaying its development.

Production has a technical and social side. The technical side of production is studied by natural and technical sciences: physics, chemistry, metallurgy, mechanical engineering, agronomy, and others. Political economy studies the social side of production, social production, that is, economic relations of people. "Political economy," wrote V. I. Lenin, "does not deal with "production" at all, but with the social relations of people in production, with the social system of production" [4].

Political economy studies the relations of production in their interaction with the productive forces. The productive forces and production relations in their unity form the mode of production.

The productive forces are the most mobile and revolutionary element of production. The development of production begins with changes in the productive forces - first of all with the change and development of the instruments of production, and then there are corresponding changes in the field of production relations. The production relations of people, developing depending on the development of the productive forces, in their turn actively influence the productive forces.

The productive forces of society can develop without hindrance only if the relations of production correspond to the state of the productive forces. At a certain stage of their development, the productive forces outgrow the framework of the given production relations and come into conflict with them.

As a result, the old production relations are sooner or later replaced by new production relations corresponding to the level of development achieved and the nature of the productive forces of society. As the economic basis of society changes, so does its superstructure. The material preconditions for the replacement of old production relations by new ones arise and develop in the depths of the old formation. The new relations of production open up scope for the development of the productive forces.

Thus, the economic law of the development of society is the law of the obligatory correspondence of production relations to the nature of the productive forces.

In a society based on private property and the exploitation of man by man, the conflicts between the productive forces and the relations of production manifest themselves in the class struggle. Under these conditions, the old mode of production is replaced by a new one through social revolution.

Political economy is a historical science. It deals with material production in its historically determined social form, with the economic laws inherent in the respective modes of production. Economic laws express the essence of economic phenomena and processes, the internal, causal relationship and dependence that exists between them. Each mode of production has its own basic economic law. The basic economic law determines the main aspects, the essence of a given mode of production.

Political economy "explores, first of all, the specific laws of each individual stage of development of production and exchange, and only at the end of this study can it establish a few, quite general laws applicable to production and exchange in general" [5]. Consequently, various social formations in their development are determined not only by their specific economic laws, but also by those economic laws that are common to all formations, for example, the law of the mandatory correspondence of production relations to the nature of the productive forces. Consequently, social formations are not only

separated from each other by specific economic laws inherent in a given mode of production, but are also connected with each other by certain economic laws common to all formations.

The laws of economic development are objective laws. They reflect the processes of economic development that take place independently of the will of people. Economic laws arise and operate on the basis of certain economic conditions. People can learn these laws and use them in the public interest, but they cannot destroy or create economic laws.

The use of economic laws in a class society always has a class background: the advanced class of each new era uses economic laws in the interests of the development of society, while the moribund classes resist this.

Political economy studies the following main types of production relations known to history: primitive communal system, slave system, feudalism, capitalism, socialism. The primitive communal system is a pre-class social system. The slave system, feudalism and capitalism are various forms of society based on the enslavement and exploitation of the working masses. Socialism is a social system free from the exploitation of man by man.

Political economy investigates how development proceeds from the lower levels of social production to its higher levels, how social orders based on the exploitation of man by man emerge, develop, and are destroyed. It shows how the entire course of historical development prepares for the victory of the socialist mode of production. It studies, further, the economic laws of socialism, the laws of the emergence of socialist society and its further development along the path to the highest phase of socialism.

Thus, political economy is the science of the development of social-production, that is, economic, relations between people. It elucidates the laws that govern the production and distribution of material wealth in human society at various stages of its development.

The method of Marxist political economy is the method of dialectical materialism. Marxist-Leninist political economy is built on the application of the basic tenets of dialectical and historical materialism to the study of the economic structure of society.

Political economy, unlike the natural sciences - physics, chemistry, etc. - cannot use experiments in the study of the economic structure of society, experiments carried out in artificially created laboratory conditions, eliminating those phenomena that make it difficult to consider the process in its purest form. "When analyzing economic forms," Marx pointed out, "neither a microscope nor chemical reagents can be used. Both should be replaced by the power of abstraction" [6] .

Each economic system is a contradictory and complex picture: it contains the remnants of the past and the germs of the future, it intertwines various economic forms. The task of scientific research is to reveal, behind the external appearance of economic phenomena, with the help of theoretical analysis, the underlying processes, the main features of the economy, expressing the essence of these production relations.

The result of such a scientific analysis are economic categories, that is, concepts that are a theoretical expression of the production relations of a given social formation, such as goods, money, capital, and others.

Thus, Marx, in analyzing capitalist production relations, singles out, first of all, the simplest, most often repeated mass relation - the exchange of one commodity for another. He shows that in the commodity - this cell of the capitalist economy - the contradictions of capitalism are embodied in the embryo. Proceeding from the analysis of the commodity, Marx explains the origin of money, reveals the process of transformation of money into capital, the essence of capitalist exploitation. Marx shows how social development inevitably leads to the death of capitalism, to the victory of socialism.

Marx's method consists in a gradual ascent from the simplest economic categories to more complex ones, which corresponds to the progressive development of society along an ascending line - from lower to higher levels. With this order of research into the categories of political economy, logical research is combined with a historical analysis of social development.

Political economy does not set itself the task of studying the historical process of the development of society in all its concrete diversity. It gives the basic concepts of the fundamental features of each system of social economy.

Lenin pointed out that political economy should be presented in the form of characteristics of successive periods of economic development. In accordance with this, in this course of political economy, the main categories of political economy - goods, money, capital, etc. - are considered in the historical sequence in which they arose at different stages of the development of human society. So, elementary concepts about goods, money are given even when characterizing pre-capitalist formations. In expanded form, these categories are set forth in the study of the developed capitalist economy.

As can be seen, political economy does not study any transcendental questions divorced from life, but the most real and topical questions affecting the vital interests of people, society, and classes. Whether the death of capitalism and the victory of the socialist economic system is inevitable, whether the interests of capitalism contradict the interests of society and the progressive development of mankind, whether the working class is the gravedigger of capitalism and the bearer of the ideas of liberating society from capitalism - all these and similar questions are solved by various economists in different ways, depending on the interests of which classes they reflect. This is precisely what explains why at present there no single political economy for all classes of society is, but there are several political economies: bourgeois political economy, proletarian political

economy, and finally, the political economy of the intermediate classes, petty-bourgeois political economy.

But it follows from this that those economists who assert that political economy is a neutral, non-partisan science, that political economy is independent of the class struggle in society and is not connected directly or indirectly with economics, are completely wrong. any political party.

Is an objective, impartial, truth-free political economy possible at all? Certainly, it is possible. Such an objective political economy can only be the political economy of that class which is not interested in glossing over the contradictions and ulcers of capitalism, which is not interested in preserving the capitalist order, whose interests merge with the interests of the liberation of society from capitalist slavery, whose interests lie on the same line with the interests of the progressive development of mankind. This class is the worker class. Therefore, only a political economy based on the interests of the working class can be an objective and disinterested political economy. This political economy is precisely the political economy of Marxism-Leninism.

Marxist political economy is the most important component of Marxist-Leninist theory.

The great leaders and theoreticians of the working class, K. Marx, and F. Engels were the founders of proletarian political economy. In his brilliant work *Capital*, Marx revealed the laws of the emergence, development, and death of capitalism, gave an economic justification for the inevitability of the socialist revolution and the establishment of the dictatorship of the proletariat. Marx and Engels elaborated in general terms the doctrine of the transitional period from capitalism to socialism and of the two phases of communist society.

The economic doctrine of Marxism received further creative development in the writings of the founder of the Communist Party and the Soviet state, the ingenious successor of the cause of Marx and

Engels, V. I. Lenin. Lenin enriched Marxist economic science with a generalization of the new experience of historical development, created the Marxist doctrine of imperialism, revealed the economic and political essence of imperialism, gave the starting points for the basic economic law of modern capitalism, developed the foundations of the doctrine of the general crisis of capitalism, created a new, complete theory of the socialist revolution, scientifically developed the basic problems of building socialism.

The great colleague and disciple of Lenin, I. V. Stalin, put forward and developed a number of new provisions of political economy, relying on the main works of Marx, Engels, and Lenin, who created a truly scientific political economy.

Marxist-Leninist economic theory is creatively developing in the decisions of the Communist Party of the Soviet Union, in the works of Lenin's disciples and associates - the leaders of the Communist Party of the Soviet Union, communist and workers' parties of other countries.

Marxist-Leninist political economy is a powerful ideological weapon in the hands of the working class and all working people in their struggle for liberation from capitalist oppression. The vital force of the economic theory of Marxism-Leninism lies in the fact that it equips the working class, the working masses, with knowledge of the laws of the economic development of society, gives them clarity of perspective, confidence in the final victory of socialism.

[1] The name of the science "political economy" comes from the Greek words: "politeia" and "oikonomy". The word "politeia" means "social organization". The word "oikonomy" in turn consists of two words: "oikos" - house, household, and "nomos" - law. The name of the science "political economy" appeared only at the beginning of the 17th century.

[2] K. Marx, Wage labor and capital, K. Marx, F. Engels, Selected works, vol. I, 1948, p. 63.

[3] Marx, Preface to the Critique of Political Economy, K. Marx, F. Engels, Selected Works, vol. I, 1948, p. 322.

[4] V. I. Lenin, Development of capitalism in Russia, Works, vol. 3, pp. 40 – 41.

[5] F. Engels, Anti-Dühring, 1953, p. 138.

[6] K. Marx, Capital, vol. I, 1953, p. 4.

Socialist Industrialization

Large-scale industry is the material basis of socialism. Essence of socialist industrialization.

Socialism can be built only on the basis of large-scale machine production. Only large-scale machine production, both in the city and in the countryside, is capable of ensuring that rapid increase in labor productivity which is necessary for the victory of the new social order. Lenin wrote: "The only material basis of socialism can be a large-scale machine industry capable of reorganizing agriculture as well" [1].

Capitalism has developed large-scale industry and thereby created the necessary material prerequisites for the proletarian revolution and the building of socialism. But due to the contradictions inherent in it, capitalism was not able to restructure all branches of the economy on the basis of large-scale machine production. Modern large-scale industry is developed primarily in the main capitalist countries. The majority of the world's countries, and especially the colonial and dependent countries, do not have a sufficiently developed large-scale industry. In all countries, with the exception of England, there is a large class of peasants who lead small, individual private households based on manual labor and primitive technology. Meanwhile, without the reconstruction of all branches of production on the basis of advanced technology, it is impossible to ensure the victory of socialism in the entire national economy.

The decisive place in large-scale industry is occupied by branches producing the means of production—metal, coal, oil, machinery, equipment, building materials, etc.—that is, heavy industry. Therefore, socialist industrialization means, first of all, the development of heavy industry, with its core being mechanical engineering. "The center of industrialization, its basis lies in the development of heavy industry (fuel, metal, etc.), in the development, in the end, of the production of means of production, in the development of its own mechanical engineering" [2]. Mechanical engineering occupies a special place among all branches of heavy industry. Developed mechanical engineering is a source of re-equipment of all branches of the national economy with modern

technology - machines, machine tools, instruments, equipment, tools
- a source of technical progress.

To build socialism, an industrialization is needed that ensures the growing preponderance of socialist forms of industry over small-scale and capitalist forms. Socialist industrialization creates the material basis for the development of socialist forms of economy, for the elimination of all capitalist elements, and gives the socialist forms of economy the technical superiority necessary to completely defeat and finish off the capitalist system.

The development of heavy industry is the key to the socialist transformation of agriculture on the basis of advanced machine technology. By supplying agriculture with tractors, combines and other agricultural machines, socialist industry serves as the basis for the emergence and development of new productive forces in the countryside, necessary for the victory of the collective-farm system.

Socialist industrialization results in an increase in the size of the working class, its specific weight and leading role in society, and strengthens the foundations of the dictatorship of the working class and its alliance with the peasantry.

By ensuring the advancement of all branches of production and the victory of socialist forms of economy, industrialization thereby serves as a solid basis for the steady growth of the working people's well-being and for raising the level of people's consumption.

Socialist industrialization ensures the technical and economic independence and defense capability of the country in conditions of capitalist encirclement. The development of heavy industry serves as the material basis for the production of modern types of weapons necessary for the country's defense against the aggression of hostile imperialist states.

Consequently, socialist industrialization is such a development of large-scale industry, and above all of heavy industry, which ensures

the restructuring of the entire national economy on the basis of advanced machine technology, the victory of socialist forms of economy, and the technical and economic independence of the country from the capitalist encirclement.

The socialist industrialization of the country was of vital importance for the USSR. Pre-revolutionary Russia, although it had a large industry, was predominantly an agrarian country. In terms of the level of development of industry, especially heavy industry, it lagged far behind the main capitalist countries.

Occupying the first place in terms of territory among all countries of the world, and in terms of population the third place (after China and India), tsarist Russia in terms of industrial output was in fifth place in the world and fourth in Europe. In 1913, agricultural output accounted for 57.9% of the gross output of large-scale industry and agriculture, and industrial output for 42.1%. Heavy industry lagged behind light industry. Many important branches of industry were absent: for the production of machine tools, tractors, automobiles, and others. Pre-revolutionary Russia was equipped with modern tools of production four times worse than England, five times worse than Germany, ten times worse than America. Economic and technical backwardness made tsarist Russia dependent on the developed capitalist countries. She was forced to import a significant part of the equipment and other means of production from abroad. Foreign capitalists dominated the main sectors of the country's heavy industry.

The domination of the capitalists and landlords has led to the fact that the semi-colonial dependence of Russia on the Western imperialist powers has become increasingly stronger. A direct threat of complete loss of national independence hung over the country. The exploiting classes were unable to destroy the age-old technical and economic backwardness of Russia. Only the working class could solve this historical task. Even on the eve of the Great October Revolution, Lenin emphasized that the question of life or death for Russia was to overtake and overtake the most developed capitalist countries in

technical and economic terms. "The revolution did what in a few months Russia caught up with the advanced countries in its political system.

But this is not enough. War is inexorable, it raises the question with merciless sharpness: either perish, or catch up with the advanced countries and overtake them also economically...

Die or rush forward at full speed. This is how the question is posed by history" [3] .

The level of productive forces and, in particular, the presence of a large, concentrated industry in pre-revolutionary Russia were sufficient for the victory of the proletarian revolution, for the establishment of Soviet power - the most advanced political power in the world. However, in order to create the economic basis of socialism, to remake small-scale backward agriculture in a socialist way and to improve the well-being of the people, it was necessary to eliminate the age-old technical and economic backwardness of the country and create a powerful heavy industry. Lacking a developed heavy industry, our country could turn into an agrarian appendage to the more developed capitalist countries, lose its independence, and with it all the gains of the socialist revolution.

With the victory of the proletarian revolution in Russia, a contradiction arose between the most advanced political power in the world - the Soviet power and the backward technical and economic base inherited from the past. The Soviet government could not have long maintained itself on the basis of a backward industry. To overcome this contradiction, it was necessary to carry out socialist industrialization.

Thus, the socialist industrialization of the USSR has become a historical necessity, conditioned by the most vital, urgent interests of building socialism.

The Communist Party and the Soviet state realized this historical necessity and consistently pursued a policy of socialist industrialization of the country. The XIV Congress of the Communist Party (1925) set the socialist industrialization of the country as the central task of the party. The resolution of the congress stated: "To conduct economic construction from such an angle that the USSR will be transformed from a country importing machinery and equipment into a country producing machinery and equipment, so that in this way the USSR, in a situation of capitalist encirclement, could by no means turn into an economic appendage of the capitalist world economy, but was an independent economic unit, built in a socialist way" [4] .

The pace of socialist industrialization.

The fundamental tasks of the socialist transformation of the country and ensuring its independence required the implementation of industrialization in the historically shortest possible time.

The need for a rapid pace of industrialization was caused by the external and internal conditions for the development of the Soviet Union, the world's first socialist country.

The external conditions for the development of the USSR were determined by the presence of a hostile capitalist encirclement. The imperialist countries had a more powerful industrial base and sought to destroy or at least weaken the Soviet state. The question of the rate of development of industry would not be so acute if the Soviet Union had the same developed industry as the advanced capitalist countries. This question would not have been so acute even if the dictatorship of the proletariat had then existed in other, more industrially developed states. But the Soviet Union was a technically and economically backward country and the only country under the dictatorship of the proletariat. In view of this, the creation of an advanced industrial base had to be carried out at a rapid pace.

The internal conditions of the development of the USSR also required a rapid pace of industrialization. As long as the Soviet country

remained a small-peasant country, it retained a stronger economic base for capitalism than for socialism. In order to solve the question of "who - whom", it was necessary in a historically short time to transform the dispersed private property economy of the peasants on the basis of collective labor, armed with advanced technology, and to deprive capitalism of its base in small-scale production. This task could not be accomplished without the rapid development of heavy industry.

Stalin, justifying the historical necessity of high rates of socialist industrialization, said: "We are 50 to 100 years behind the advanced countries. We must make good this distance in ten years. Either we do it, or we will be crushed" [5] .

The possibility of high rates of socialist industrialization was determined by the advantages of the socialist economic system and the peculiarities of the socialist method of industrialization.

For the period 1929 - 1937. the average annual growth rate of industrial output in the USSR was about 20%, while in the capitalist countries they averaged only 0.3% during this period. The rate of growth of industry in the USSR was many times higher than the rate of growth of industry in the main capitalist countries at the best time of their development. Thus, in the United States, the average annual increase in industrial output was: for 1890 - 1895. - 8.2%, for 1895 - 1900. - 5.2, for 1900 - 1905 - 2.6, for 1905 - 1910. - 3.6%.

socialist method of industrialization. Sources of funds for socialist industrialization.

It is possible to carry out the industrialization of the country in the shortest historical period only on the basis of the socialist method of industrialization.

In capitalist countries, industrialization usually begins with the development of light industry. Only after a long period of time does the turn come for the development of heavy industry.

For the Soviet country, this path of industrialization was unacceptable. It would mean the death of the socialist revolution, the transformation of the USSR into a colony of imperialist states. The Communist Party rejected the capitalist path of industrialization and began the work of industrializing the country by developing heavy industry.

Capitalist industrialization is carried out spontaneously as a result of the capitalists' pursuit of profit. Socialist industrialization was carried out on the basis of the law of the planned development of the national economy in the interests of building socialism and meeting the growing needs of the working people. It could not take place on the basis of the operation of the law of value, since this would mean the priority development of light industry, as more profitable. The Soviet state in a planned manner established such proportions in the distribution of labor and means of production between various sectors, which were dictated by the need for the socialist industrialization of the country, and ensured the priority development of heavy industry. In the interests of industrialization, the system of finance, credit, and foreign trade were used.

Capitalist industrialization leads to intensified exploitation and impoverishment of the working class and peasantry, to a deepening of the gulf between town and country, to the enslavement of the colonial peoples. Socialist industrialization provides a solid basis for a continuous rise in production on the basis of higher technology and leads to the elimination of unemployment and to an increase in the real wages of the workers.

Socialist industrialization is the basis for the advancement of agriculture; it leads to an increase in the well-being of the peasantry, to a rapprochement between town and country, to a strengthening of the alliance between the working class and the peasantry. The Communist Party rejected the hostile attitudes of the Trotskyists, who proposed to carry out industrialization at the expense of the ruin of the peasantry and thus sought to undermine the alliance between the working class and the peasantry. Socialist industrialization is a

powerful factor in the economic and cultural upsurge of formerly backward national regions.

From all this follows the direct interest of the workers and peasants in socialist industrialization. The socialist method of industrialization steadily expands the domestic market, thereby creating a solid domestic base for the development of industry.

The industrialization of such a backward country in the past as Russia was a difficult task, because the creation of a powerful heavy industry required enormous material and financial outlays.

In the industrialization of the capitalist countries, along with the merciless exploitation of the workers and peasants, the most important role was played by the influx of funds from outside, through colonial robbery, military indemnities, enslaving loans, and concessions. These methods of mobilizing funds for the construction of industry are incompatible with the principles of the socialist system. The Soviet country had to solve the problem of accumulating funds for the creation of heavy industry exclusively from internal sources. In order to accumulate the necessary funds for the construction of new factories, the most severe savings in the economy were necessary. We save on everything, wrote Lenin. "It should be, because we know that without saving heavy industry, without its restoration, we will not be able to build any industry, and without it we will perish altogether as an independent country" [6].

Carrying out the difficult task of accumulating funds for industrialization, the Soviet state used the advantages of the socialist economy, which created a real opportunity to solve the problem of accumulation on its own, without enslaving loans from outside, at the expense of internal resources, at the expense of systematically carried out socialist accumulation. Socialist accumulation is the use of a part of the national income for the expansion of socialist production.

The expropriation of the landowners and capitalists opened up the possibility of using for socialist industrialization a significant part of

the funds that had previously been appropriated by the exploiters and spent on parasitic consumption. The Soviet government freed the country from annual payments for a border of hundreds of millions of rubles in the form of interest on tsarist loans and dividends to foreign capitalists on their capital placed in Russia. Before the revolution, 800-900 million gold rubles were spent annually for these purposes.

The Soviet peasantry got rid of rent payments to landowners for land and significant debts to banks. The peasantry, being interested in the development of industry, was able to allocate part of their funds for this purpose.

The most important sources of funds for socialist industrialization were the revenues of nationalized industry, foreign trade, state internal trade, and the banking system. The significance of these sources grew more and more with the growth of socialist industry.

Socialist industry has indisputable advantages over capitalist industry in ensuring the growth of accumulations. It is the largest and most concentrated industry, united on the scale of the whole country, it is free from the law of competition and the anarchy of production. The planned management of industry, the rational use of its resources, the labor activity of the working class, and the rapid development of technology created the conditions for a continuous increase in labor productivity. Because of this, socialist industry has been able to steadily reduce the cost of production, that is, the costs of enterprises expressed in monetary form for the production and sale of their products.

One of the important advantages of the socialist economy over the capitalist one is the concentration of all the money savings of state and cooperative enterprises available in the country, as well as the free funds of the population in state credit institutions and their planned use for the development of industry. The Soviet state ensured the prudent use of accumulated funds in order to meet the most important demands of industrialization. It pursued a policy of the

strictest austerity regime, the utmost simplification and cheapening of the state and cooperative apparatus, the strengthening of economic accounting, financial discipline, and the fight against excesses in spending public funds.

All these sources of internal accumulation contributed billions of rubles for the industrialization of the country and made it possible to make large capital investments in industry, especially heavy industry. Thus, the Soviet government successfully overcame the difficulties associated with the accumulation of funds necessary for the industrialization of the country.

The application of the socialist method of industrialization gave a huge gain in time, ensuring the creation of a first-class socialist industry in the shortest possible time and its high growth rates.

During the first five-year plan (1929-1932), capital investments in industry in terms of modern prices amounted to 35.1 billion rubles, of which 30.1 billion rubles were invested in heavy industry. During the second five-year plan (1933-1937), capital investments in industry amounted to 82.8 billion rubles, of which 69.1 billion rubles were directed to heavy industry. During the three and a half years of the third five-year plan (1938 - the first half of 1941), 81.6 billion rubles were invested in industry, of which 70.3 billion rubles were invested in heavy industry.

The transformation of the USSR from a backward, agrarian country into an advanced, industrial power.

The victory of socialist industrialization in the USSR became possible because the Communist Party and the Soviet state based their policy on the laws of economic development and skillfully used the advantages of the socialist economy. In accordance with the task of building socialism and meeting the growing material and cultural needs of the working people, gigantic industrial construction was launched. The program of the country's industrialization was concretely embodied in the five-year plans, which armed the Soviet

people with a clear outlook and were a mighty force mobilizing the working people for the building of socialism.

The Communist Party and the Soviet State organized and led the activity and creative initiative of the vast masses. During the years of the first five-year plan, mass socialist competition unfolded. in the struggle for the implementation and over fulfillment of plans. The second five-year plan was marked by the emergence of the Stakhanov movement, which was associated with the mastery of production workers with modern, first-class equipment, breaking backward, low technical standards and replacing them with higher ones. The Stakhanovite movement was a new stage in socialist competition. The emulation of the broad masses of the working class revealed the great role of the new, socialist production relations as the main and decisive force in a powerful upsurge of the productive forces. Socialist competition opened up inexhaustible reserves for increasing labor productivity and accelerating the pace of industrialization. The widespread socialist emulation was the main factor in the early fulfillment of the first and second five-year plans.

An important role in the struggle for the industrialization of the country was played by the consistent application of the economic law of distribution according to work, which combines the personal material interests of the working people with the interests of social production. Remuneration of labor, depending on its quantity and quality, stimulated the growth of labor productivity, the improvement of the skills of workers and the improvement of production methods.

One of the main conditions for the high rates of industrialization, the development of new factories and the use of modern technology to the bottom, was the successful solution by the Soviet government over the course of several years of the most difficult problem of creating numerous industrial personnel. The task of training new cadres of industrial and technical intelligentsia arose with all the urgency. The working class had to create its own industrial and technical intelligentsia capable of serving the interests of the people and

actively participating in socialist construction. During the years of the first and second five-year plans, the Soviet state launched an enormous amount of work in training personnel through a system of higher educational institutions and technical schools for industry and other branches of the national economy. Along with this, the training of skilled workers was organized on a large scale through factory apprenticeship schools and various courses for the production and technical training of new workers. The planned organization of personnel training by the Soviet state and the interest of the working masses in raising social production accelerated and facilitated the development of new technology. On this basis, conditions were created for the rapid growth of labor productivity.

During the period from 1928 to 1937 the number of workers and employees in large-scale industry increased from 3.8 million to 10.1 million people, that is, 2.7 times. The number of skilled workers working on the latest machines grew much faster than the total number of the working class. During the period from 1926 to 1939, the number of turners increased 6.8 times, millers - 13 times, etc. The number of engineers increased 7.7 times.

The successful implementation of the industrialization program changed the relationship between industry and agriculture: with a significant increase in agricultural production, industrial production increased much faster, as a result of which the share of industrial products in the total output of the country increased sharply. Socialist industry has become the decisive force in the national economy. The ratio between industries producing means of production and industries producing consumer goods has changed. The production of means of production occupied a predominant place in the total mass of industrial output and began to play a leading role in the development of industry and the entire economy of the country.

In terms of the rate of development and the level of technology, the industry of the USSR has overtaken and surpassed the industry of the main capitalist countries. From the point of view of the saturation of industrial production with new technology, the Soviet country has

become the most advanced in the world. Mechanical engineering in the USSR has reached a level of development at which it became possible to produce any machine within the country. The Soviet Union achieved technical and economic independence from the capitalist countries.

During the years of the first two five-year plans, a powerful heavy industry equipped with the latest technology was built in the USSR. In 1937, the fixed production assets of all industry (production buildings and structures, machinery, and equipment) exceeded the level of 1928 by 5.5 times, and for industries producing means of production - more than 7 times. Dozens of new industries were created that pre-revolutionary Russia did not know: the automotive and tractor industries, machine tool building, a number of chemical industries, aircraft building, engine building, the production of combines, powerful turbines and generators, high-quality steels, and many others. During the years of the five-year plans, thousands of factories and factories were built and put into operation. Among them are dozens of giants of the socialist industry: the Magnitogorsk and Kuznetsk metallurgical plants, Dnieper hydroelectric power station, Stalingrad and Kharkov tractor plants, automobile plants in Moscow and Gorky, Ural and Kramatorsk heavy engineering plants, a ball-bearing plant in Moscow, chemical plants in Stalinogorsk, Solikamsk and Berezniki and many other enterprises. New enterprises began to play the main role in the total volume of industrial output. As early as 1937, more than 80% of all products were received from enterprises newly created or reconstructed during the years of the first two five-year plans.

From 1913 to 1940, the output of large-scale industry in the USSR grew almost 12 times. In terms of industrial output, by the end of the second five-year plan, the Soviet Union had taken first place in Europe and second in the world. In terms of freight turnover of railways, the USSR came in second place in the world. The share of large-scale industry in the gross output of large-scale industry and agriculture rose from 42.1% in 1913 to 77.4% in 1937. In 1913, in the gross output of all industry, the share of means of production accounted for 33.3%, in

1940 - more than 60%. In 1913, in the total industrial output, engineering products accounted for only 6%, in 1940 - 30%. In terms of the share of mechanical engineering in industrial output, the Soviet Union came out on top in the world. On the eve of the first five-year plan, the USSR imported about one-third of all cars from abroad. In 1932 already less than 13% were imported, and in 1937 - only 0.9%. The Soviet Union not only stopped the import of automobiles, tractors, agricultural and other machines from the capitalist countries, but also began to export them abroad.

The rapid growth of Soviet industry led to the fact that large socialist enterprises occupied a dominant position in industrial production. In 1924/25, the share of the private sector in the industrial output of the USSR was 20.7%. As a result of the implementation of the second five-year plan, private industry was finally liquidated. The socialist system became the only system in the industry of the USSR.

Socialist industrialization led to a rise in the material and cultural level of the working people. Already in the years of the first five-year plan - at the end of 1930 - unemployment was completely eliminated in the USSR. The creation of heavy industry served as the basis for the technical reconstruction and powerful development of industries producing consumer goods—agriculture, light industry, and the food industry. Capital investment in industry producing consumer goods tripled in the second five-year plan compared with the first five-year plan.

In the process of socialist industrialization, fundamental changes took place in the distribution of industry. New first-class industrial bases were created in the eastern regions of the country - in the Urals, in Western Siberia, and Kazakhstan. Socialist industrialization was accompanied by the growth of old and the creation of new cities. Throughout the country, especially in the east, large cities and industrial centers have grown up, which have become economic and cultural centers, transforming the entire appearance of the surrounding areas.

As a result of the implementation of the industrialization program, the Soviet Union has turned from a backward, agrarian country into a mighty socialist industrial power. A solid industrial base was created for the technical reconstruction of the entire national economy, the strengthening of the defense capability of the USSR and the steady rise in the well-being of the people. The contradiction between the most advanced political power in the world and the backward technical and economic base inherited from the past was eliminated.

Thus, during the pre-war five-year plans there was a rapid growth of the productive forces of socialist industry. In the 13 pre-war years the Soviet Union traveled the path that the developed capitalist countries spent about ten times as long. It was the greatest leap from backwardness to progress, the likes of which have never been known in the history of the world. The gigantic development of the productive forces in the USSR would not have taken place if the old, capitalist production relations had not been replaced by new, socialist production relations.

The victory of industrialization in the USSR was achieved by the Communist Party and the Soviet state in the struggle to overcome the enormous difficulties associated with the backwardness of the country's economy, the fierce resistance of liquidated capitalist elements and the presence of a hostile capitalist environment. The Communist Party defended the course towards the industrialization of the country in the struggle against the worst enemies of socialism - the Trotskyists and Bukharinites, who countered the general line of the party on the industrialization of the country with the line of turning the Soviet country into an agrarian appendage to the imperialist countries and tried to turn the USSR onto the path of capitalist development.

The socialist industrialization of the USSR was an event of great international significance. The rapid transformation of a previously backward country into a powerful industrial power proved the indisputable advantages of the socialist economic system and

strengthened the position of the USSR in the international arena. The experience of the industrialization of the USSR is now being used by the people's democracies, which are advancing along the path of building socialism.

The process of industrialization of each individual country that has embarked on the path of building socialism depends both on internal and external conditions. The Soviet Union, being the first and for a long time the only country that built socialism surrounded by hostile capitalist powers, was forced to create heavy industry as part of all its main industries in a short historical period, exclusively from internal sources. This determined the enormous difficulties in building socialism in the USSR. Other, more favorable conditions now exist for the countries of people's democracy, inasmuch as there is a powerful camp of democracy and socialism, headed by the Soviet Union, and rich experience in socialist construction has been accumulated. The construction of industry in these countries is carried out taking into account the characteristics of each country, including natural conditions,

SUMMARY

1. Large-scale machine industry is the material basis of socialism. Of decisive importance for the building of socialism is the presence of heavy industry. The essence of socialist industrialization consists in the creation, at the expense of internal sources of accumulation, of a powerful heavy industry capable of reorganizing the entire national economy, including agriculture, on the basis of the latest technology, ensuring the undivided dominance of socialist forms of economy and the technical and economic independence of the country.

2. The socialist method of industrialization, which has decisive advantages over the capitalist method, ensures the creation of large-scale industry in the historically shortest possible time. Socialist industrialization is carried out according to plan, begins with the development of heavy industry and is carried out in the interests of the working people. The nationalization of industry, banks, transport, and foreign trade creates new sources of accumulation,

unprecedented under capitalism, and makes it possible to quickly mobilize funds for the creation of heavy industry.

3. The Soviet state, led by the Communist Party, successfully carried out the industrialization program embodied in the five-year plans, thanks to the fact that it based its policy on economic laws and used the advantages of the socialist economy, the labor upsurge of the working class and all working people. During the years of the pre-war five-year plans, a first-class, technically advanced industry was built, which served as the basis for the technical reconstruction of the entire national economy, strengthening the country's defense capability and increasing the people's well-being. The Soviet Union has become a powerful industrial power, independent of other countries, producing all the necessary machinery and equipment on its own. The new, socialist relations of production, established in the country, were the decisive force

[1] V. I. Lenin, Abstracts of the report on the tactics of the RCP at the Third Congress of the Communist International, Works, vol. 32, p. 434.

[2] I. V. Stalin, On the economic situation in the Soviet Union and the policy of the party, Works, vol. 8, p. 120.

[3] V. I. Lenin, The Threatening Catastrophe and How to Fight It, Works, vol. 25, p. 338.

[4] Resolution of the XIV Congress of the CPSU (b), "CPSU in resolutions and decisions of congresses, conferences and plenums of the Central Committee", part II, ed. 7, p. 75.

[5] I. V. Stalin, On the tasks of business executives, Works, vol. 13, p. 39.

[6] V. I. Lenin, Five years of the Russian revolution and the prospects of the world revolution. Report at the Fourth Congress of the Communist International, Works, vol. 33, p. 388.

Collectivization of Agriculture

The historical necessity of the collectivization of agriculture. Lenin's cooperative plan.

To build socialism, it is necessary not only to industrialize the country, but also to transform agriculture on socialist foundations. Socialism is a system of social economy that combines industry and agriculture based on the socialized means of production and collective labor.

The socialist transformation of agriculture is the most difficult task of the socialist revolution after the conquest of power by the working class. Unlike industry, where the socialist revolution finds large-scale, highly concentrated production, agriculture in the capitalist countries has not reached such a degree of capitalist socialization of production. It is dominated numerically by small, fragmented peasant farms. As long as small-scale individual farming remains the predominant form of agricultural production, the basis of the bourgeois economic system in the countryside, the exploitation of the poor and a significant part of the middle peasants by the rural bourgeoisie, will remain. The system of petty commodity production is incapable of delivering the peasant masses from poverty and oppression.

The only way to deliver the working masses of the peasantry from all exploitation, from poverty and ruin is their transition to the rails of socialism. Marxism-Leninism rejects as senseless and criminal the path of expropriating small and medium-sized producers and turning their means of production into state property, because such a path would undermine any possibility of the victory of the proletarian revolution and would throw the peasantry for a long time into the camp of the enemies of the proletariat. F. Engels wrote: "When we seize state power, we will not even be able to think about forcibly expropriating the small peasants (whether with or without compensation), as we will be forced to do with large landowners. Our task in relation to the small peasants is, first of all, to[1].

In his plan for building a socialist society, Lenin was guided by the fact that the working class should build socialism in alliance with the

peasantry. An integral part of the general plan for building socialism is Lenin's plan for the transition of the peasants from small, privately owned farming to large-scale, socialist farming through cooperation.

Lenin's cooperative plan proceeded from the fact that under the conditions of the dictatorship of the proletariat, cooperation is the most accessible, understandable, and profitable way for millions of peasants to move from a fragmented individual farm to large production associations - collective farms. The most important economic prerequisite for the production co-operation of the bulk of the peasantry is the all-round development of large-scale socialist industry, capable of reorganizing agriculture on a modern technical basis. The peasantry must be drawn into the mainstream of socialist construction through the development of initially the simplest forms of co-operation in the fields of marketing, supply, and credit, and a gradual transition from these to co-operation in production and collective farms. Peasants' co-operation should take place with the strictest observance of the principle of voluntariness.

In bourgeois society, where the means of production belong to the exploiters, cooperation is the capitalist form of economy. In agricultural co-operation under capitalism, the bourgeoisie dominates economically, exploiting the masses of the peasantry. In a social system where political power is in the hands of the working people themselves and the main means of production are the property of the proletarian state, co-operation is a socialist form of economy. "The system of civilized cooperators with public ownership of the means of production, with the class victory of the proletariat over the bourgeoisie - this is the system of socialism" [2] .

Relying on the works of Lenin, Stalin put forward and developed a number of new propositions on the question of the socialist transformation of agriculture.

In the multi-structural economy of the transition period, there is, on the one hand, a large-scale socialist industry, the basis of which is public ownership of the means of production, and on the other hand,

a small-peasant economy, the basis of which is private ownership of the means of production. Large-scale industry is equipped with advanced technology, while private-property, small-scale peasant agriculture is based on primitive technology and manual labor. Large-scale industry develops at a high rate, according to the principle of expanded reproduction, while the small-peasant economy not only does not carry out expanded reproduction in its mass every year, but does not always have the opportunity to carry out even simple reproduction. Large-scale industry is centralized on the scale of the entire national economy and is carried out on the basis of a state plan, while small-scale peasant farming is fragmented and subject to the influence of market forces. Large socialist industry destroys the capitalist elements, while small-scale peasant farming gives birth to them constantly and on a massive scale. The socialist state and the building of socialism cannot for a more or less long period be based on two different foundations—on the basis of the largest and most united socialist industry, and on the basis of the most fragmented and backward small-scale peasant economy. This would eventually lead to the collapse of the entire national economy.

Thus, in the economy of the transitional period from capitalism to socialism, there inevitably exists a contradiction between large-scale socialist industry, on the one hand, and small-scale peasant economy, on the other. This contradiction can only be resolved by transferring small-scale peasant farming to the lines of large-scale socialist agriculture.

The development of socialist industry and the growth of the urban population during the transition period in the USSR were accompanied by a rapid increase in demand for agricultural products. But the rate of development of agriculture lagged far behind that of industry. The main branch of agriculture, grain farming, moved forward especially slowly. The small-scale peasant economy, which was the main supplier of marketable grain, was of a semi-consumer nature and sold only a tenth of the gross grain harvest to the market. Despite the fact that in 1926 the sown area and the gross harvest of grain almost reached the pre-war level; the marketable grain output

was half the level of 1913. The small-peasant economy was unable to satisfy the growing demand for food for the population and for raw materials for industry.

There are two ways of creating large-scale farming in agriculture—capitalist and socialist. The capitalist path means planting in agriculture large capitalist farms based on the exploitation of wage labor, which is inevitably accompanied by the impoverishment and ruin of the working masses of the peasantry. The socialist path means uniting small peasant farms into large collective farms, armed with advanced technology, freeing the peasants from exploitation, destitution, and poverty, and ensuring a steady rise in their material and cultural level. There is no third way.

The transition from small individual peasant farming to large-scale socialist farming cannot happen by itself. Under capitalism, the countryside spontaneously follows the city, since capitalist economy in the city and small-peasant economy in the countryside are fundamentally the same type of economy, based on private ownership of the means of production. Under the conditions of the dictatorship of the working class, the small-peasant countryside cannot spontaneously follow the socialist city. Lenin spoke of the commodity-capitalist tendency of the peasantry as opposed to the socialist tendency of the proletariat.

The socialist city leads the small-peasant countryside by organizing large-scale socialist farms in agriculture. The industrialization of the country equips the countryside with advanced machinery. At the same time, cadres are created who master the new technology. New productive forces are emerging in agriculture. The old production relations of small peasant farming do not correspond to the new productive forces. This gives rise to the need to create in the countryside new, socialist production relations that would give scope for the development of the productive forces. Such relations of production can only be created by uniting small individual farms into large collective farms.

Thus, the gradual amalgamation of small peasant farms into production cooperatives armed with advanced technology is an objective necessity in the transitional period from capitalism to socialism. Without collectivization it is impossible to ensure the continuous development of the entire national economy on the basis of higher technology and the constant growth of the well-being of the people. The path of collectivization is the only possible one from the point of view of the tasks of building socialism and satisfying the fundamental, vital interests of the peasantry.

The Communist Party and the Soviet state realized the historical necessity of collectivization, rejected the capitalist path of agricultural development as disastrous for the cause of socialism, and chose the socialist path. This found expression in the consistently pursued policy of the collectivization of agriculture. The XV Congress of the All-Union Communist Party of Bolsheviks (1927) decided: "It is necessary to set as a priority task, on the basis of further cooperation of the peasantry, the gradual transition of dispersed peasant farms to large-scale production (collective cultivation of the land on the basis of the intensification and mechanization of agriculture), supporting and encouraging in every possible way sprouts of socialized agricultural labor" [3] .

The history of socialist construction in the USSR has shown that the path of co-production of peasant farms has fully justified itself. In all countries with a more or less numerous class of small and medium producers, after the establishment of the power of the working class, this path of development is the only possible and expedient for the victory of socialism.

Prerequisites for complete collectivization.

The fulfillment of the grandiose historical task of the collectivization of millions of small peasant farms required appropriate preparation. If the development of capitalism itself prepared the material conditions for the socialist transformation of industry, then in agriculture these conditions must be created to a large extent during the transitional period.

The economic policy of the Communist Party and the Soviet state in the countryside, until complete collectivization, was aimed at supporting the poor and middle peasants of the countryside by all available means and limiting the exploitative aspirations of the agricultural bourgeoisie. The poor, who made up 35% of the peasant population, were completely exempted from taxes. The socialist state strictly protected the interests of the poor and agricultural workers in labor legislation. Land management in the poor, and low-power middle-peasant farms was carried out free of charge, at the expense of the state. The state organized machine rental centers, which provided production assistance primarily to poor peasant households. The poor and middle peasants were given money loans, provided seed and food loans on preferential terms. The state-organized agronomic assistance, the supply of mineral fertilizers, the fight against drought, the implementation of large-scale irrigation works, etc., were of great importance in the development of the peasant economy. At the same time, the Communist Party and the Soviet state limited and ousted the capitalist elements of the countryside by high taxation restrictions on the size of rent and the use of hired labor, prohibition of the purchase and sale of land.

The fundamental task of building socialism in the countryside was, under the leadership of the working class, based on large-scale socialist industry, to transfer the bulk of the peasantry from the old, private property path to the new, socialist, collective farm path.

The nationalization of the land in the USSR freed the small peasant from his slavish attachment to his piece of land and thereby facilitated the transition from small peasant farming to large-scale collective farming. The nationalization of the land created favorable conditions for the organization of large-scale socialist farms in agriculture, which did not have to spend unproductively on the purchase of land and the payment of land rent.

Of decisive importance in preparing for collectivization was the all-round development of socialist industry, which is the key to the socialist transformation of agriculture. In the USSR, even the first

successes of industrialization made it possible to expand the construction of factories for the production of tractors, combines and other complex agricultural machines. In the years of the first five-year plan alone, agriculture in the USSR received 154,000 tractors (translated into 15-horsepower).

Thus, an industrial base was created for supplying the village with tractors, combines and other agricultural machines.

The mass transition of the peasants to the path of collective farms was prepared by the development of agricultural cooperatives. The lowest level of co-operation among peasant farms is co-operation in marketing agricultural products and supplying the countryside with manufactured goods, as well as co-operation in the field of credit. Along with special types of agricultural cooperation - butter, flax-growing, sugar beet, credit, and others - handicraft and trade cooperation is of great importance. These forms of co-operation play an important role in the transition from individual peasant farming to large-scale, social farming. They instill in broad sections of the peasantry the skills of collective management of economic affairs. At this stage, a predominantly commercial bond exists between socialist industry and peasant economy, which does not yet change the private property foundations of peasant production, but ensures the material interest of the peasants in the development of their economy. The commercial bond is carried out by expanding state and cooperative trade and ousting private capital from the commodity circulation. Thus, the peasants are freed from exploitation by merchants and speculators. Consumer cooperation plays an important role in this. In the countryside, trading in articles of personal consumption.

In the relations between the state and cooperative associations, the system of contracting, which is a form of organized trade, is of great importance. This turnover is carried out on the basis of agreements under which the state gives orders to co-operative producers for the production of a certain quantity of agricultural products, supplies the cooperatives with seeds and implements of production, and stipulates

the use of the best methods of farming (row sowing, sowing with high-quality seeds, the use of fertilizers, etc.) , buys marketable products from them to supply the population with food, and industry with raw materials. This system is beneficial to both sides and links peasant farms with industry directly, without private commercial intermediaries.

The highest level of co-operation among the peasantry is the organization of collective farms—collective farms, which signifies the transition to large-scale socialized production. The collective farm is a voluntary production cooperative association of peasants, the basis of which is social ownership of the means of production and collective labor, excluding the exploitation of man by man.

The first collective farms, which were created shortly after the socialist revolution, play an important role in preparing for mass collectivization. The example of these collective farms convinces the peasants of the advantages of collective forms of farming over individual farming.

Before complete collectivization, the predominant form of collective farms was partnerships for the joint cultivation of the land (TOZ's), in which land use and labor were socialized, but working livestock and agricultural implements remained in the private property of the peasant. With the deployment of mass collectivization, TOZs turned out to be a step already passed. In a number of regions there were agricultural communes in which not only all the means of production were socialized, but also the private farm of the collective farmer. These communes turned out to be unviable since they arose in conditions of undeveloped technology and a lack of products. They practiced an egalitarian distribution of consumer goods. The communes were turned into agricultural artels.

The basic and main form of collective farm construction is the agricultural artel. An agricultural artel is a form of collective farming, which is based on the socialization of the main means of production of the peasants and on their collective labor, while the personal

property of the collective farmers for subsidiary plots is preserved in the amount determined by the Rules of the agricultural artel.

The leading role of large-scale socialist industry in the collectivization of agriculture is played through the machine and tractor stations. The Machine and Tractor Station (MTS) is a state socialist enterprise in agriculture, concentrating tractors, combines, and other complex agricultural machines and servicing collective-farm production on a contract basis. The MTS is a form of organization by the socialist state of the material and production base of large-scale collective agriculture that ensures the most complete combination of independent activity of the collective farm masses in the construction of their collective farms under the leadership and with the help of the socialist state.

The machine and tractor stations are a powerful lever for the socialist reorganization of agriculture, a means of establishing a production link between industry and agriculture. The link between production consists in the fact that large-scale socialist industry supplies agriculture with machinery and other means of production and equips it with new, improved technology.

An important role in the socialist transformation of agriculture is played by large state agricultural enterprises organized by the socialist state on parts of the former landowners' lands, as well as on free lands of the state fund. In the USSR, state Soviet farms (state farms) began to be created already in the first year after the socialist revolution. state farm there is a large socialist agricultural enterprise for the production of grain, meat, milk, cotton, and other agricultural products, in which the means of production and all the products produced belong to the state. State farms are one of the most important sources of food and raw materials that come at the disposal of the state. State farms, as examples of highly mechanized and highly marketable socialist economy, gave the peasants the opportunity to be convinced of the enormous advantages of large-scale socialist farming, and provided them with assistance with tractors, high-quality seeds, and pedigree cattle. They facilitated the turn of the

peasant masses towards socialism, towards the path of collectivization.

The collective farm system arose with the financial and organizational support of the working class. The Soviet state spent huge amounts of money to finance collective and state farm construction. During the first years of the mass collective-farm movement, the best party workers and tens of thousands of advanced workers were sent to the countryside and rendered great assistance to the peasants in organizing collective farms.

An important role in preparing the peasants for the transition to the path of collectivization was played by the work carried out by the Communist Party in the political education of the peasant masses.

The turn of the main masses of the peasantry to the path of collectivization required an irreconcilable class struggle against the kulaks. The resistance of the kulaks to the policy of Soviet power in the countryside especially intensified in 1927-1928, when the Soviet country experienced difficulties with bread. The kulaks organized sabotage of grain procurements, committed terrorist acts against collective farmers, party and Soviet workers, set fire to collective farms, state grain warehouses. The policy of resolutely fighting the kulaks and defending the interests of the working peasants rallied the poor and middle peasant masses around the Communist Party and the Soviet state.

Solid collectivization and liquidation of the kulaks as a class.

The fundamental turn of the peasantry towards the collective farms became apparent in the USSR in the second half of 1929. By this time, the economic and political prerequisites for the collectivization of agriculture had been created. The middle peasant, that is, the bulk of the peasantry, went to the collective farms. The peasants joined the collective farms no longer in separate groups, but in entire villages and districts. The process of complete collectivization began in the Soviet countryside .

Prior to complete collectivization, the Communist Party and the Soviet state pursued a policy of restricting and ousting the capitalist elements of the countryside. Tax policy, price policy, limitation of land lease and wage labor - all this set certain limits for kulak exploitation and led to the displacement of individual groups of kulaks. But this policy did not destroy the economic foundations of the kulaks and did not entail their liquidation as a class. Such a policy was necessary as long as the conditions for complete collectivization were not created, until there was a wide network of collective farms and state farms in the countryside that could replace capitalist grain production with socialist production.

In 1926/27, the kulaks produced 617 million poods of grain and sold 126 million poods in non-village exchange, while the state and collective farms produced 80 million poods and produced 37.8 million poods of marketable grain. Things changed radically in 1929, when the state and collective farms produced no less than 400 million poods and produced more than 130 million poods of marketable grain, that is, they cut off kulak production of marketable grain.

The great turn of the main peasant masses towards socialism marked a fundamental shift of class forces in the country in favor of socialism, against capitalism. This made it possible for the Communist Party and the socialist state to move from the old policy of limiting and ousting the capitalist elements in the countryside to a new policy, to a policy of eliminating the kulaks as a class on the basis of complete collectivization.

The transition to complete collectivization was carried out in the course of the mass struggle of the peasants against the kulaks. The kulaks put up fierce resistance to collectivization. The working class, leading the main masses of the peasantry, led them to storm the last capitalist stronghold in the country in order to smash the kulaks in open battle, in front of the entire peasantry, and to convince the peasant masses of the weakness of the capitalist elements. With complete collectivization, the land area in the area of \u200b\u200bvillages and villages passed into the use of collective

farms. But since the kulaks had a significant part of this land, the peasants, organizing collective farms, took the land, livestock, and implements from the kulaks and dispossessed them. The Soviet government abolished the laws on the lease of land, on the hiring of labor. In this way,

Collectivization was carried out with strict observance of the Leninist principles of collective farm construction: the voluntary entry of peasants into collective farms, taking into account the peculiarities of the economy and the level of culture in various regions of the country, the inadmissibility of jumping over the agricultural artel, as the main form of collective farm construction, to the commune.

Solid collectivization and the liquidation of the kulaks as a class, carried out on its basis, were "a profound revolutionary upheaval, a leap from the old qualitative state of society to a new qualitative state, equivalent in its consequences to the revolutionary upheaval in October 1917" [4] .

It was a revolution that abolished the old, bourgeois individual-peasant economic system in the countryside and created a new, socialist collective-farm system. The originality of this revolution lay in the fact that it was carried out from above, on the initiative of the state authorities, with direct support from below, from the millions of peasants who fought against kulak bondage, for a free collective farm life.

This revolution solved a number of fundamental tasks of socialist construction.

First, it eliminated the largest exploiting class in the country, the kulak class. The liquidation of the kulaks as a class on the basis of complete collectivization was a decisive step in the destruction of the exploiting classes. The problem of "who - whom" was solved not only in the city, but also in the countryside in favor of socialism. Inside the country, the last sources of the restoration of capitalism were destroyed.

Secondly, it transferred the most numerous working class in the country, the class of peasants, from the path of individual farming, which gave birth to capitalism, to the path of social, collective-farm, socialist economy, thereby solving the most difficult historical task of the proletarian revolution after the conquest of power by the working class.

Thirdly, it gave Soviet power a socialist base in the most extensive and vital, but also in the most backward branch of the national economy - in agriculture. Agriculture began to develop on the same basis as industry - on the basis of public ownership of the means of production. Thus, one of the most profound contradictions of the transitional period, the contradiction between large-scale socialist industry and small individual peasant farming, was resolved, and the ground for the opposition between town and country was eliminated.

The old, capitalist, and petty-bourgeois production relations in the countryside, which were a brake on the productive forces, were replaced by new, socialist production relations. Thanks to this, the productive forces in agriculture received full scope for their development.

Agricultural artel as the main form of collective farming.

The experience of collective-farm development in the USSR has shown that, of all the forms of collective farms, the agricultural artel ensures the development of the productive forces of socialist agriculture to the greatest extent. The agricultural artel correctly combines the personal, domestic interests of the collective farmers with the public interests of the collective farm. Artel successfully adapts personal, domestic interests to public interests, thereby facilitating the education of yesterday's individual farmers in the spirit of collectivism. In accordance with the Rules of an agricultural artel, the following are socialized in it: agricultural implements, draft animals, seed stocks, fodder for the socialized livestock, outbuildings necessary for running an artel economy, and all food processing enterprises. In the agricultural artel, such important branches of agriculture as grain farming and the production of industrial crops

are fully socialized. Socialized animal husbandry is organized on collective farms. The developed artels have large-scale socialized production of potatoes and vegetables, horticulture, viticulture, etc.

In an agricultural artel, residential buildings, productive livestock in a certain amount, poultry, outbuildings necessary for keeping livestock that remain in the personal property of the peasant, and small agricultural implements necessary for personal subsidiary plots are not socialized and remain in the personal property of the collective farm yard. From the socialized working cattle, the management of the artel, if necessary, allocates several horses to serve the personal needs of the members of the artel for a fee. Collective farmers receive their main income from the social economy of the collective farms, which is the main and decisive one.

According to the Charter of the agricultural artel, each collective farm yard in grain, cotton, sugar beet, flax, hemp, potato and vegetable, tea and tobacco areas can own a cow, up to 2 head of young cattle, 1 sow with offspring or, if the collective farm management finds required, 2 sows with offspring, up to 10 sheep and goats together, unlimited poultry and rabbits and up to 20 hives.

Each collective farm yard in agricultural areas with developed animal husbandry can own 2-3 cows and, in addition, young animals, from 2 to 3 sows with offspring, from 20 to 25 sheep and goats together, an unlimited number of poultry and rabbits, and up to 20 hives.

Each kolkhoz yard in areas of non-nomadic and semi-nomadic animal husbandry, where agriculture is of little importance, and animal husbandry plays a decisive role in the economy, can own from 4 to 5 cows and, in addition, young animals, from 30 to 40 sheep and goats together, from 2 to 3 sows with offspring, unlimited number of birds and rabbits, up to 20 beehives, as well as one horse or one koumiss mare, or 2 camels, or 2 donkeys, or 2 mules.

Each collective farm yard in areas of nomadic animal husbandry, where agriculture is of little importance, and animal husbandry is a

comprehensive form of economy, can own from 8 to 10 cows and, in addition, young animals, 100 - 150 sheep and goats together, an unlimited number of birds, up to 10 horses, 5 to 8 camels.

From the socialized land allotted for the personal use of each collective-farm yard for subsidiary farming is a personal plot of land in the amount of 1/4 to 1/2 hectare , and in some districts up to 1 hectare, depending on the characteristics of the districts.

The reorganization period in agriculture in the USSR ended by the end of the first five-year plan. In 1932, the collective farms united over 60% of all peasant farms and concentrated more than 75% of all peasant crops. But the kulaks, defeated in open battle, had not yet been finished off. Penetrating the collective farms by deceit, the kulaks, using various methods of wrecking, sought to blow up the collective farms from the inside. The Communist Party and the Soviet state have set as the main task of collective-farm development the organizational and economic strengthening of the collective farms, that is, the strengthening of party and state leadership of the collective farms, the cleansing of the collective farms of the kulak elements that have made their way into them, the protection of public socialist property, the improvement of the organization and the strengthening of the discipline of collective labor.

The victory of the collective farm system was won in a decisive struggle against the exploiting classes and their agents - the Trotskyites and Bukharinites, who defended the kulaks by all means, fought against the creation of collective farms and state farms, demanded their dissolution and liquidation. The Communist Party resolutely smashed the Trotskyist theory of exploitation and the forcible expropriation of the peasantry through high prices for manufactured goods and excessive taxes, as well as the right-wing opportunist Bukharinist theory of the "peaceful growth of the kulak into socialism", of the "free flow" in economic construction.

The transformation of the USSR from a country of small peasant economy into a country of the largest and most mechanized agriculture in the world.

By the end of the second five-year plan, the collectivization of agriculture was completed. The method of collectivization turned out to be an extremely progressive method, since it made it possible within a few years to cover the whole country with large collective farms, which have the opportunity to apply new equipment, use all agronomic achievements and give the country more marketable products; he opened the way to raising the welfare of the peasantry.

The world's largest agriculture has been created and consolidated in the USSR in the form of a comprehensive system of collective farms, MTS, and state farms, which represent a new, socialist mode of production in agriculture.

Instead of the 25 million peasant farms that existed in the USSR on the eve of total collectivization, by the middle of 1938 there were 242,400 collective farms (not counting fishing and trade farms). Each collective farm accounted for an average of 1,534 hectares of agricultural land, including 485 hectares of sown area. In the United States in 1940, there were only 1.6% of all farms with a land area of 405 hectares or more.

The collective-farm system has shown its indisputable advantage over the capitalist system of agriculture and small-peasant farming. "The great significance of the collective farms lies precisely in the fact that they represent the main base for the use of machines and tractors in agriculture, that they constitute the main base for reshaping the peasant, for reworking his psychology in the spirit of socialism" [5] . During the years of the first two five-year plans, a genuine technical revolution was carried out in the agriculture of the USSR, as a result of which a solid material and production base of socialism was created in the countryside. Socialist agriculture is not only the largest, but also the most mechanized agriculture in the world. While under capitalism the use of machines in agriculture is inevitably accompanied by the ruin of the small peasants, the mechanization of

socialist agriculture on the basis of collective labor facilitates the work of the peasant and leads to an increase in his well-being.

In 1940, the agriculture of the USSR had 530,000 tractors, 182,000 combines and 228,000 trucks. The number of MTS in 1930 was 158, and in 1940 - 7,069. The level of mechanization of agriculture in the USSR reached in 1940 in tractor plowing: the rise in fallows - 83%, the rise of fallow - 71%; for tractor sowing of spring and winter crops - 52 - 53%, for harvesting grain combines - 43%.

The collective farm system ensured a significant increase in agricultural output and a high marketability of agriculture, which is of great importance for supplying the country with food and raw materials. The gross agricultural output of the USSR in 1940 exceeded the pre-revolutionary level (1913) by almost 2 times. The marketability of collective farm and state farm grain production in 1938 reached 40% of the gross grain production against 26% in 1913. At the same time, the marketability of grain in the poor and middle peasant farms in pre-revolutionary times was only 14.7%. The collective and state farms have enormous potential for a steady rise in production. They do not experience sales crises since the systematic increase in the material well-being of the people is accompanied by an ever-increasing demand for agricultural products.

The victory of the collective farm system provided the Soviet peasantry with the necessary conditions for a prosperous and cultural life. The collective farm system destroyed the possibility of stratification of the peasantry, poverty, and poverty in the countryside. Tens of millions of poor people, having joined the collective farms, have turned into wealthy people. Thanks to the collective farms, there were no more horseless, cowless, inventoryless peasant farms in the countryside. In the period from 1932 to 1937 alone, the personal incomes of collective farmers from the public economy of the collective farms and from personal subsidiary plots increased 2.7 times.

As a result of the victory of the collective-farm system, the friendly alliance of workers and peasants became even stronger. The collective-farm peasantry became a firm base of Soviet power in the countryside. Now not only the working class, but also the peasantry began to base their existence on social, socialist ownership of the means of production.

The experience of collective-farm development in the USSR greatly facilitates the solution of the problem of the socialist transformation of agriculture in other countries during the transition from capitalism to socialism. At the same time, the peculiarities of the historical development of individual countries during the transition period from capitalism to socialism determine the uniqueness of the conditions for preparing, the forms and methods for carrying out the collectivization of agriculture in each country. Thus, in the people's democracies, in contrast to the USSR, where the nationalization of all land has been carried out, private peasant ownership of the land is preserved for a certain time when the peasant farms are co-operated. Related to this are the peculiarities in the forms of organization and in the activities of production cooperatives in the countryside.

However, no matter how significant the differences in the conditions, forms, and methods of carrying out the socialist transformation of agriculture in individual countries, the basic principles of Lenin's cooperative plan, tested by the experience of collective farm construction in the USSR, remain common to all countries carrying out the socialist transformation of agriculture.

SUMMARY

1 . A necessary condition for building socialism is the collectivization of agriculture. The essence of the collectivization of agriculture consists in the gradual and voluntary amalgamation of peasant farms into production cooperatives. Collectivization means the transition from small, individual, backward private economy to large-scale socialist economy, armed with advanced machine technology. Collectivization frees the working peasantry from exploitation and

poverty and opens the way for them to a prosperous and cultural life. Collectivization meets the vital interests of the peasantry and all working people.

2. The most important prerequisites for complete collectivization are: the socialist industrialization of the country, the development of agricultural cooperation, the experience of the first collective farms and large state farms in agriculture, showing the peasants the advantages of a large-scale socialist economy, the creation of machine and tractor stations, and a decisive struggle against the kulaks.

3. Complete collectivization and, on its basis, the liquidation of the kulaks as a class, carried out under the leadership of the Communist Party and the Soviet state, represented a profound revolutionary upheaval, a transition from the bourgeois individual peasant system in the countryside to a new, socialist, collective farm system. This revolution eliminated the most numerous exploiting class , the kulaks, transferred the most numerous working class , the peasantry, from the capitalist path of development to the socialist path of development, created a solid socialist base in agriculture for the Soviet state.

4. As a result of the victory of the collective farm system, the Soviet Union has turned from a country of small-peasant farming into a country of the largest and most mechanized agriculture in the world. The productive forces of agriculture received full scope for their development. The Soviet peasantry has been forever delivered from exploitation, poverty and misery have been abolished in the countryside, and conditions have been created for a continuous rise in the material and cultural standard of living of the collective-farm peasantry.

[1] F. Engels, *The Peasant Question in France and Germany*, K. Marx, F. Engels, *Selected Works*, vol. II, 1948, pp. 414 – 415.

[2] V. I. Lenin, *On cooperation*, *Works*, vol. 33, p. 431.

[3] Resolution of the XV Congress of the CPSU (b), "CPSU in resolutions and decisions of congresses, conferences and plenums of the Central Committee", part II, ed. 7, p. 317.

[4] "History of the CPSU (b). Short Course, p. 291.

[5] I. V. Stalin, On the issues of agrarian policy in the USSR, Works, vol. 12, p. 165.

The Socialist System of the National Economy

The Material and Production Basis of Socialism

The main features of the material and production base of socialism. As a result of two great transformations—the socialist industrialization of the country and the collectivization of agriculture—the material and production base of socialism was created in the USSR. The material and production basis of socialism is large-scale machine production in all branches of the national economy, based on higher technology and the labor of workers free from exploitation.

The material and production base of socialism represents a new stage of development of large-scale machine production, higher than that of capitalism, and differs fundamentally from the material and production base of capitalist society.

Socialist production is united by social ownership of the means of production and develops according to plan in the interests of the whole of society. The growth of socialist production does not encounter obstacles due to private ownership of the means of production.

Socialist production is the largest and most concentrated in the world. The socialist system, established in the USSR, signifies the undivided dominance of large-scale production not only in industry, but also in agriculture, while under capitalism small farms of individual peasants predominate in agriculture.

Socialist production is the most mechanized in the world. In bourgeois society, machines serve as an instrument of exploitation and are introduced into production only when they increase the profits of the capitalist by saving on the wages of workers. Under socialism, machines are used in all cases where they save labor for society. In socialist society, machines have become a powerful means of facilitating the work of workers and peasants and increasing the people's well-being. In the absence of unemployment in a socialist

society, machines cannot compete with the working people. Because of this, the working people are very willing to use machines in production, and the sphere of application of machines in comparison with capitalism is greatly expanded.

As a result of the elimination of private ownership of the means of production, all the achievements of advanced science and technology under socialism are the property of the entire society. In the socialist economy, the possibility of that artificial delay in technical progress, which is practiced by the capitalist monopolies for selfish purposes, is excluded.

Socialist production, pursuing the task of satisfying the needs of the whole of society, requires the continuous development and improvement of technology; old technology should be replaced by new, and new by the latest. Hence the need for large capital investments in the national economy. The socialist state, concentrating in its hands the main means of production and accumulation of the national economy, can make capital investments in all branches of production on a scale inaccessible to capitalism. Technical development under socialism, unlike capitalism, is not held back by the burden of old technology. Soviet industry and agriculture embodies the newest and most perfect that modern science and technology have at their disposal. The national economy of the USSR has the youngest production and technical apparatus in terms of age.

Thus, socialism ensures the consistent introduction of modern machine technology into all branches of production, including agriculture. Meanwhile, under capitalism, agriculture and even some branches of industry are based mainly on manual labor.

Under socialism the position of workers in production changes radically. The labor of workers, collective farmers and the intelligentsia freed from exploitation is the basis for the existence of socialist society. The working people work for themselves, for society, and not for the exploiters, and therefore they are deeply interested in the improvement of production on the basis of higher technology and

in the best use of available technology. At the same time, socialism leads to a steady and rapid increase in the general cultural level and technical training of workers. All this determines the creative activity of the working people in the development of production and the tools of labour. The workers, collective farmers and intelligentsia are making a serious contribution to technical progress, are overcoming the old standards for the use of technology, mastering new, ever higher standards.

Unlike capitalism, socialism ensures the continuous and rapid growth of the productive forces.

socialist industry.

Socialist industry is a highly concentrated and technically advanced industry, united on the basis of public ownership throughout the country. Socialist industry plays a leading role in the national economy; it equips all branches of the national economy with advanced technology. This is achieved by the more rapid growth of the branches producing the means of production and by the high level of development of machine building. Heavy industry is the foundation of the socialist economy.

Industry plays an important role in ensuring the growth of public consumption. Branches of the light and food industries, armed with advanced technology, are increasing the output of consumer goods from year to year.

Socialism has raised the technical level of industry to unprecedented heights. From the point of view of production technology, the saturation of industrial production with new technology, the industry of the USSR ranks first in the world.

The fixed production assets of the industry of the USSR increased in 1953 by more than 2 times compared with 1940 and 22 times compared with 1913. Gross output of large-scale industry in 1953 increased (in comparable prices) compared with 1913 . 30 times. Compared with the level of 1940, industrial output increased in 1953 by more than 2.5 times, including machine-building output by almost

4 times. From 1913 to 1953, the output of some of the most important branches of heavy industry grew as follows: coal, from 29 million tons to 320 million tons; oil, from 9 million tons to 52 million tons; steel, from 4.2 million tons to 38 million tons. , cement - from 1.5 million tons to 16 million tons, electricity - from 1.9 billion kilowatt-hours to 133 billion kilowatt-hours. The share of mechanical engineering in industrial output was 27% in 1938, and 39% in 1950. In the United States before the war, mechanical engineering accounted for 17.6% of all industrial output, in Germany - 14.6%, in England - 16.2%.

Socialist industry is the most concentrated industry in the world. The concentration of production under socialism is carried out according to plan and is accompanied by a general rise in production in the interests of society as a whole. Meanwhile, under capitalism, concentration is carried out spontaneously, accompanied by the ruin and death of small and medium-sized enterprises and the establishment of the rule of monopolies. "We are the country with the most concentrated industry. This means that we can build our industry on the basis of the best technology and, thanks to this, ensure unprecedented labor productivity, an unprecedented rate of accumulation" [1] .

Under socialism, one of the important forms of concentration—the combination of production—is being widely developed. Combining production allows a more complete use of raw materials and fuel, reduces transportation costs, and leads to an acceleration of the production process.

In 1940, 71% of all workers and 84% of all products were concentrated in the industry of the USSR at enterprises with an annual production of over 5 million rubles (in constant prices of 1926/27), and in 1950 - 79% of all workers and 92% of all industrial products.

If we compare the data on the concentration of industry in the USSR and the USA (for convenience of comparison, for both countries, a grouping according to the number of workers and employees is taken), it turns out that in 1950 in the manufacturing industry of the

USSR, enterprises with more than a thousand workers and employees were concentrated 62 % / about all workers and employees and these enterprises produced 70% of all industrial products; in the US manufacturing industry, according to the post-war census (1947), enterprises with more than a thousand workers and employees concentrated 32% of workers in producing 34% of industrial output.

The growth in the concentration of production is accompanied in the USSR by the specialization of industrial enterprises. Specialization of industrial production is the concentration of an enterprise on the production of a certain type of product, its individual parts, and details, or on the performance of individual operations in the production of a product. Specialization in the USSR expresses the planned use by society of the benefits of the division of labor between individual enterprises. It enables the introduction of high-performance equipment, the introduction of standardization and mass production, which provide a significant increase in labor productivity.

Under socialism, planned co-operation of industrial enterprises is widely developed, that is, the organization of permanent production links between enterprises that jointly participate in the manufacture of some object, but are economically independent in relation to each other. Cooperation between enterprises is organized primarily within the framework of individual economic regions in order to save transport from long-distance transportation. The planned co-operation of enterprises is an important factor in the growth of the productivity of social labor.

The development of industry and its technical re-equipment are accompanied by the growth of the working class and the rise in the cultural and technical level of the workers. In contrast to capitalism, where the introduction of machinery is usually accompanied by the de-skilling of a significant part of the workers, under socialism the introduction of new technology leads to an increase in the number and proportion of skilled workers, and a decrease in the number and proportion of unskilled manual labor workers. The number of engineering and technical workers is steadily growing.

A powerful, technically advanced transport system has been created in the USSR, which, according to Marx, is the fourth branch of material production (after mining, manufacturing, and agriculture). Transport links together all sectors of the national economy and economic regions of the country and plays an important role in the process of production and distribution of material goods.

The role of transport is growing under the conditions of a planned socialist economy, which is developing at a high rate and is characterized by multilateral ties between individual branches of production. Lenin, characterizing the role of railways, pointed out that they are "one of the manifestations of the most striking connection between town and country, between industry and agriculture, on which socialism is based entirely" [2] .

The concentration of all transport (railway, water, road, air) in the hands of society eliminated the competition of various modes of transport, which is characteristic of capitalism, and opened up the possibility of systematic coordination of their work. The USSR has created a unified transport system throughout the country, systematically combining all types of transport.

The unified transport system under socialism is built on the basis of the latest achievements in transport technology: the widespread introduction of rolling stock of the latest designs and high power, the mechanization of loading and unloading operations, the improvement of track facilities, etc.

The fixed assets of transport in the USSR increased in 1953 in comparison with 1913 by 7.7 times. Freight turnover of all types of transport increased in 1953 in comparison with 1913 by more than 8 times, including the freight turnover of railways - 12 times.

socialist agriculture.

The socialization of the previously fragmented peasant economy, the creation of collective farms and state farms opened up the possibility of widespread use of machines, the introduction of advanced

agricultural technology in agriculture and provided conditions for an increase in agricultural production.

Socialist agriculture in the USSR, conducted on the basis of public property, is the largest and most mechanized agriculture in the world. It covers large agricultural enterprises - collective farms, machine and tractor stations and state farms.

The size of the collective farms as a result of the conducted in 1950 - 1951. by decisions of the general meetings of collective farmers, consolidations increased greatly. In 1954, there were 93,000 collective farms in the country instead of 254,000 in 1950. If before the enlargement, on average, one collective farm accounted for 589 hectares of arable land, then after the enlargement - 1,693 hectares of arable land.

The machine and tractor stations provided the collective farms with the material and technical base of large-scale machine production. The Soviet state has created an extensive system of machine and tractor stations in grain, flax, cotton, sugar beet and suburban areas. Special machine and livestock stations have been organized for the mechanization of labor-intensive work in animal husbandry, meadow reclamation stations for the mechanization of work to drain land and improve meadows and pastures. Electric tractor stations are being created for use in the collective farm production of electricity. All MTSs, depending on the line of production of the collective farms, have appropriate agricultural machines and qualified specialists. In 1954, there were 9 thousand MTS and other specialized stations in the USSR,

In the agriculture of the USSR, large state enterprises, state farms, equipped with advanced technology, play an important role. In 1954, there were about 5 thousand state farms in the country - grain, livestock (meat and dairy, pig, sheep, horse), cotton and others.

Socialist industry has armed agriculture with the most advanced technology. In accordance with the peculiarities of agriculture, on the

basis of tractor traction, a system of machines was created for performing basic agricultural work: plowing, sowing, inter-row cultivation, and harvesting.

In 1954, the agriculture of the USSR had 1,260,000 tractors (up to 15 hp), 326,000 grain combines, 370,000 trucks, and many other agricultural machines. In this regard, the level of mechanization of agricultural work has increased dramatically.

The introduction of machines has radically changed the structure of the energy resources of agriculture. In 1916, working cattle accounted for 99.2%, and mechanical engines - only 0.8% of all agricultural energy resources. In 1940, working cattle accounted for 22%, and mechanical engines for 78%, and by the beginning of 1953, respectively, 9 and 91% (including tractors - 35%, trucks - 29, combine motors - 15, electrical installations - 3, other engines - 9%).

The socialist transformation of agriculture abolished the primitive three-field system of agriculture that had existed for centuries and created a new, most progressive system of agriculture in the world. The main features of this system are: the widespread introduction of the latest technology and the achievements of advanced agronomic science into agricultural production, the introduction of correct crop rotations with the wide development of fodder, vegetable and industrial crops, the use of artificial and organic fertilizers, the irrigation of lands in arid regions, the drainage of swamps, etc. d.

The correct conduct of a socialist agricultural enterprise excludes both the universalism of small peasant farming, in which various crops are cultivated, mainly for domestic consumption, and the one-sided development of capitalist farms, which usually specialize in one particular crop (monoculture). The specialization of socialist agricultural enterprises is expressed in the fact that, in accordance with the natural and economic conditions of individual regions, leading branches are singled out in a planned manner, and additional branches develop along with them. Thus, specialization does not negate, but presupposes the development of a diversified economy.

with the right mix of primary and secondary industries. One of the important advantages of large-scale socialist agriculture is that it has the greatest potential for the development of a diversified, complex economy in which the land and labor power are used productively.

Along with the amalgamation and technical re-equipment of agriculture, new cadres of workers in agricultural production are being created, possessing modern advanced technology and agronomic knowledge. In the USSR, the achievements of agronomic science for the first time in history became the property of the broad masses of the peasantry. The mass introduction of new technology brought to life new professions of mechanized agricultural labor: tractor drivers, combine operators, drivers, mechanics, threshing machines, flax pickers, cotton pickers and other machines. The collective farm system has given rise to hundreds of thousands of qualified managers and organizers of production - chairmen of collective farms, foremen, agronomists and livestock specialists, farm managers and others.

Thus, the socialist reconstruction of agriculture has created all the conditions for a systematic increase in the yield of agricultural crops and the productivity of animal husbandry, for a steady increase in agricultural output.

Ways of technical progress under socialism.

The main lines of technical progress under socialism are: the mechanization and automation of production, the electrification of the national economy, and the widespread use of chemistry in production.

Mechanization is the replacement of manual labor by machine-assisted labor. Consistent mechanization of labor processes is an economic necessity under socialism. The continuous and rapid growth of socialist production can be ensured only through the constant improvement of technology and the comprehensive mechanization of labor processes. The mechanization of labor processes is the decisive force without which it is impossible to

ensure the high rates and vast scales of production characteristic of socialism.

The USSR is consistently mechanizing the main and most labor-intensive processes of production in all branches of the national economy. The mechanization of socialist production occurs through the introduction of new, most advanced machines, mechanisms, and advanced technological processes.

In the industry of the USSR, the mechanization of production has reached a level unprecedented under capitalism. In the coal industry, where heavy manual labor completely dominated before the revolution, mechanization based on the widespread introduction of coal-cutting machines, electric vehicles and loading mechanisms already in 1940 accounted for 94.8% in cutting and breaking, in delivery - 90.4, in haulage - 58.4, for loading coal into railway cars - 86.5%. In the post-war period, the mechanization of cutting, breaking and delivery of coal, as well as underground transport and loading of coal into railway cars, was fully completed. Great strides have been made in mechanization and other branches of industry. Thus, for example, such outstanding achievements of Soviet technology as new powerful excavators, bulldozers, dredgers, and others are used in the construction of hydroelectric power stations.

On the collective farms in 1953, almost all plowing was mechanized; sowing of winter crops is mechanized by 93%, sowing of spring crops by 83%; the sowing of cotton, sugar beets and other industrial crops has been almost completely mechanized; 77% of the area of grain crops was harvested by combines. The mechanization of basic field work on collective farms is being completed. In state farms, the main agricultural work is almost completely mechanized. The mechanization of labor-intensive work in animal husbandry, vegetable growing, horticulture, the transportation, loading and unloading of agricultural products, the mechanization of irrigation, and the drainage of wetlands are being widely developed.

During the post-war period, Soviet mechanical engineering annually creates and masters the production of 600-700 new types of high-performance machines. If in 1940 mechanical engineering produced 84 types of agricultural machines and implements, then in 1950 there were already 222 types. High-speed metal cutting methods, stamping instead of free forging, hardening of parts with high-frequency currents, machine molding of parts and other new methods that give a great economic effect are widely introduced into production.

Under socialism, comprehensive mechanization is being developed more and more widely. Complex mechanization means the mechanization of all related stages of the production process, both basic and auxiliary, and is based on a system of machines that complement each other. It eliminates gaps in the mechanization of production. As a result of complex mechanization, an integral system of machines is created, covering the entire production process.

Thus, for example, in the coal industry, the problem of complex mechanization is solved by using coal combines created by Soviet designers, which combine the operations of cutting, breaking, and loading coal onto a conveyor and representing a new word in world technology. The mechanization of the fastening process will make it possible to complete the comprehensive mechanization of coal mining.

The highest level of mechanization is the automation of production, that is, the use of automatic machines operating on the basis of self-regulation. Closely related to automation is tele-mechanics, that is, remote control and monitoring of the operation of mechanisms (remote control). In cases where the entire system of machines, covering the production process as a whole, operates on the basis of self-regulation, there is an automatic system of machines. The automatic system of machines performs all the production processes necessary for processing raw material into a finished product, without human assistance and needs only control by the worker.

Already in 1951, at the ferrous metallurgy enterprises of the USSR, 95% of all pig iron was smelted in blast furnaces with automatic

control of the blast temperature, and 87% of all steel production was smelted in open-hearth furnaces equipped with automatic control of the thermal regime. In mechanical engineering, the fleet of automatic and semi-automatic metalworking machines, forging and pressing machines, as well as automatic control and measuring equipment is increasing every year. Automated equipment has been widely used in the chemical, paper, oil refining and other industries. Automatic systems of machines exist in the USSR in the form of automated lines of machine tools and other mechanisms or in the form of individual automated enterprises.

The high level of mechanization of production under socialism is the basis for the rapid growth of labor productivity and leads to an ever closer convergence of physical labor with mental labor.

The restructuring of all branches of the economy on the basis of large-scale machine production and the consistent mechanization of production processes are closely linked with electrification. Electricity is the technical base of modern large-scale production.

Socialism ensures the planned introduction of electricity into all branches of the national economy. Electrification under socialism is characterized by: firstly, the centralization of electricity generation and the concentration of capacities at large power plants, the rapid development of high-voltage power lines connecting individual stations into powerful regional or inter-district systems with the prospect of forming a single high-voltage network for the entire country; secondly, the extensive construction of hydroelectric power plants and the systematic increase in their share in the total electricity generation, which serves as the most important means of improving the country's energy balance; thirdly, the development of district heating in large cities and industrial centers, the use of low-grade and local fuels.

The electrification of industry is changing the face of factories and plants. Instead of a central engine with a complex transmission mechanism, almost all enterprises have introduced an individual

electric drive. The electrification of working machines is the energy basis for the comprehensive mechanization and automation of production. On the basis of the use of electricity, new industries arose - the electrometallurgy of ferrous and non-ferrous metals, electrochemistry, as well as new methods of metal processing.

Of great importance for the further electrification of the USSR is the construction of hydroelectric power stations on the Volga, Dnieper, Don, and other rivers, which was launched in the Fifth Five-Year Plan. Some of them will be the largest in the world. The construction of these stations provides a comprehensive solution to the problems of obtaining cheap electricity on an enormous scale, the widespread development of the electrification of agriculture and transport, the creation of new electrically intensive industries, the improvement of navigation, etc.

In terms of the level of electrification of industry, the USSR already at the end of the second five-year plan was in first place in the world. In 1952, the level of electrical labor in industry increased by 1.8 times compared with 1940. In the postwar period, an intensified introduction of electricity into agriculture began. At the beginning of 1954, the capacity of rural power plants increased 5 times compared with 1940; Electric energy was used by 30% of all collective farms. The mechanization of threshing, as well as a number of production processes in animal husbandry, on many collective farms and state farms takes place on the basis of the use of electrical energy (forage preparation, water supply, milking cows, shearing sheep, etc.). Electricity is widely introduced into agriculture in the regions of large hydroelectric stations (electric plowing, etc.).

The progress of modern technology is also expressed in the ever wider development of chemistry and the application of methods for the chemical processing of matter. Chemical methods ensure the acceleration of production processes, the most complete use of raw materials, and allow the creation of new types of raw materials and materials. The chemical industry has become a powerful factor in the technical development of the entire national economy in the USSR.

Modern chemical production, as a rule, is automated, proceeding continuously, in closed equipment with automatic control and regulation, without direct human intervention. Chemicalization is the most important condition for increasing crop yields. The creation of an abundance of consumer goods is associated with the widespread chemicalization of agriculture.

The development of the material and production base of socialism is based on the achievements of Soviet advanced science, which is successfully accomplishing the major tasks of improving and consistently introducing higher technology into production. Soviet technical thought occupies a leading position in the solution of a number of new technical problems, in the design of new machines and mechanisms for all branches of production. Soviet designers have priority in the creation of such machines as, for example, mountain combines, many agricultural machines (potato and potato harvesters, flax harvester, beet harvester), new models of modern equipment in the field of energy (high-pressure once-through boiler, the world's largest hydro turbines), powerful mechanisms for construction, new types of metal-cutting machines and others.

Location of socialist production.

Under socialism, a new distribution of production and a new system of links between branches of production and regions of the country are taking shape.

In bourgeois society, the pursuit of profit and competition lead to an uneven and irrational distribution of production. Industry is spontaneously concentrated in a few centers, while vast territories, especially the colonial outskirts, are doomed to industrial backwardness. Under socialism, the distribution of production is carried out according to plan, in the interests of increasing the productivity of social labor, strengthening the might of the socialist state, and raising the standard of living of the working people.

The following principles underlie the location of production under socialism.

First, the utmost approximation of production to the sources of raw materials and areas of consumption of industrial and agricultural products. Outlining the foundations of the plan for the reorganization of industry and the general economic upsurge of the country, Lenin pointed out:

“This plan should include:

rational distribution of industry in Russia from the point of view of the proximity of raw materials and the possibility of the least loss of labor in the transition from processing raw materials to all successive stages of processing semi-finished products up to obtaining a finished product” [3] .

This location of industry makes it possible to make better use of natural resources and eliminate irrational transportation, which ensures significant savings in labor on the scale of the whole society and accelerates the rate of growth of socialist production.

Secondly, the elimination of actual economic inequality between peoples, the rapid economic development of previously backward national regions, which is the material basis for strengthening friendship and cooperation between peoples.

Thirdly, the planned territorial division of labor between economic regions, combined with the comprehensive development of the economy within these regions, taking into account the natural conditions of each region and the economic expediency of the production of certain industrial goods and agricultural products. Comprehensive development of the economy of economic regions, taking into account the needs of a given region for fuel, building materials, mass products of light industry and foodstuffs, reduces excessively long-distance and other irrational transportation, and promotes the mobilization of local sources of raw materials.

Fourthly, the planned distribution of industry throughout the country, ensuring the formation of new cities and industrial centers

in previously backward agrarian regions, bringing agriculture closer to industry. This contributes to the destruction of the essential difference between the city and the countryside.

Fifth, strengthening the defense capability of the country of socialism. The presence of a hostile capitalist environment necessitates the especially rapid development of many branches of industry in the interior regions of the country.

As a result of the implementation of these principles in the USSR, the uneven distribution of production inherited from capitalism was eliminated.

The approach of industry to sources of raw materials was expressed primarily in the accelerated development of the eastern regions of the country and the creation of new fuel and metallurgical bases, new centers of mechanical engineering, light industry in the Urals, Western Siberia, Central Asia, and Kazakhstan. The newly created industrial centers have become economic and cultural centers, transforming the whole appearance of these regions and regions. The creation of a powerful industrial base in the east of the country was one of the most important conditions for the victory of the Soviet Union in the Great Patriotic War.

The total volume of industrial output in the regions of the Volga region, the Urals, Siberia, the Far East, Kazakhstan, and Central Asia increased in 1953 by more than 3.5 times compared with 1940. In 1953, about one third of all industrial products of the USSR, more than half of the total amount of steel, rolled products and oil, almost half of the total amount of coal and over 40% of electricity. The production of consumer goods increased in these regions. The output of the light and food industries in 1953 increased 2.2 times as compared with 1937, and more than 1.5 times as compared with 1940.

In the Soviet republics - Uzbek, Kazakh, Kirghiz, Turkmen and Tajik, with a population of about 17 million people, electricity was generated in 1953 four and a half times more than in the countries of

the East neighboring the USSR - Turkey, Iran, Afghanistan, and Pakistan combined, with a population of 130 million.

In terms of the technical equipment of agriculture, these republics are superior to many developed countries of capitalist Europe.

The development of socialist industry in a number of economic regions that previously did not have industry has led to the fact that the old division of regions into industrial and agrarian regions has largely outlived itself. Important changes have taken place in the distribution of agricultural production in the USSR, indicating that the former, one-sided specialization of agriculture in pre-revolutionary Russia is being successfully eliminated. A powerful grain base has been created in the eastern regions of the USSR, a new wheat base has been created in the non-chernozem zone, agricultural crops have been advanced far to the north, and food bases have grown around cities and industrial centers.

The socialist distribution of production is based on the economic zoning of the country. Economic zoning is the planned division of the entire territory of the country into separate large regions in accordance with their economic and natural features.

The socialist distribution of production ensures the best use of the country's natural resources and labor resources and is an important condition for raising the productivity of social labor, accelerating the rate of production growth, and strengthening the economic might of the USSR.

SUMMARY

1 . The material and production basis of socialism is large-scale machine production, covering all branches of the national economy. Under socialism, the machine serves as a means of saving and facilitating the work of the workers and peasants and of raising the people's well-being. The socialist industry of the USSR is the most concentrated in the world, technically the most advanced and

centralized throughout the country; it serves as the basis for the development of all sectors of the economy. Socialist agriculture is the largest and most mechanized in the world; it is a growing source of food and industrial raw materials.

2. The material and production base of socialism is based on the latest achievements of modern advanced science and technology. Socialism eliminated the unevenness inherent in capitalism in the application of machine technology between individual branches and processes of production and ensured the consistent introduction of new technology into all branches of the national economy. The main lines of technological development under socialism are the mechanization and automation of production, the electrification of the national economy, and the widespread use of chemistry.

3. Socialism ensured the planned and rational distribution of production, bringing it closer to the sources. raw materials and consumption areas, overcoming the economic backwardness of national regions, bringing industry and agriculture closer together. The socialist location of production makes it possible to use natural and labor resources expediently, leads to huge savings in the cost of transporting raw materials and products, and is an important factor in accelerating the growth of socialist production and strengthening the country's defense capability.

[1] I. V. Stalin, On the tasks of business executives, Works, vol. 13, pp. 33-34.

[2] V. I. Lenin, Closing remarks on the report on the immediate tasks at the meeting of the All-Russian Central Executive Committee on April 29, 1918, Works, vol. 27, p. 277.

[3] V. I. Lenin, Outline of the plan of scientific and technical work, Works, vol. 27, p. 288.

Public Ownership of the Means of Production - the Basis of the Production Relations of Socialism

The socialist system of the national economy and socialist property.

The economic basis of socialist society is the socialist system of the national economy, socialist ownership of the means of production, established as a result of the liquidation of the capitalist economic system, the abolition of private ownership of the means of production, and the abolition of the exploitation of man by man.

Exposing the fabrications of the apologists of capitalism about the program of scientific socialism as a program for the destruction of property in general, Marx and Engels wrote: "The hallmark of communism is not the abolition of property in general, but the abolition of bourgeois property" [1] . No society is conceivable without the dominance of a historically defined form of ownership. By abolishing private ownership of the means of production, the proletarian revolution establishes in its place socialist ownership of the means of production.

Under socialism, the means of production ceased to be capital, that is, a means of exploitation. In a socialist society there are no classes that have monopoly ownership of the means of production and no classes that are deprived of ownership of the means of production. Under socialism, the means of production constitute public property. The main elements of the production process - the labor force and the means of production - are combined here on a new basis. This base is large-scale socialist production both in the city and in the countryside. Since the means of production have ceased to be capital, under socialism there is no division of accumulated labor into constant and variable capital. The entire mass of labor accumulated by society, that is, the entire mass of means of production and means of consumption available to society for the purposes of further production, serves the interests of the people and cannot be a condition for exploitation. "In bourgeois society, living labor is only a means to increase accumulated labor. In a communist society, accumulated labor is only

a means of expanding, enriching, and facilitating the life process of the workers” [2] .

Under socialism, public property is undividedly dominant in all spheres of the national economy. In the USSR in 1950, socialist property covered 99.4% of all means of production used in the country. With the establishment of the undivided domination of public property, the false theory of the ideologists of the bourgeoisie about the eternity and inviolability of private capitalist property has been completely debunked.

The transformation of the means of production into public property and the emancipation of production workers from all forms of exploitation marked the establishment of a new, socialist system of the national economy.

The socialist economic system is fundamentally different from the capitalist economic system and has decisive advantages over it.

1. Under the conditions of the socialist system of the national economy, the means of production are public property, that is, they belong to the working people in the person of the socialist state or in the person of collective farms and other cooperative associations, as a result of which the products of labor also belong to the working people; Under the conditions of the capitalist system of economy, the means of production are the private property of the capitalists and landlords, and therefore the products of labor also belong to the capitalists and landowners.

2. The socialist system of the national economy means that the exploitation of man by man is abolished, and production is carried out in order to satisfy the growing material and cultural needs of the whole society to the maximum; capitalist production is carried on in order to secure the maximum capitalist profit by exploiting, ruining, and enslaving the working people.

3. Socialist production is developing in a planned manner; the steady rise in the material well-being of the working people and the continuous growth of their purchasing power are a constantly growing stimulus for the expansion of production and a reliable guarantee against crises of overproduction and unemployment; capitalist production develops spontaneously, the growth of production comes up against the proletarian state of the masses and the relative reduction in the purchasing power of the working people, whose consumption capital limits to an extremely low level, which inevitably entails crises of overproduction, the growth of unemployment and poverty of the masses.

4. Under socialism, each worker receives material benefits according to the quantity and quality of his labor, and the distribution of national income is carried out in the interests of systematically improving the well-being of the working people, expanding socialist production in town and countryside, and increasing social wealth; Under capitalism, the distribution of the people's income takes place in the interests of enriching the exploiting classes and their numerous parasitic servants.

5. Under the socialist system, state power is in the hands of the working people of town and countryside; the capitalist economic system means that power in society belongs to the capitalists, who use this power to maintain order that is pleasing and beneficial to the propertied classes, while the proletariat and the working masses of the peasantry are classes that are exploited, forced to work for the capitalists and landowners.

Public property is the basis of the socialist system, the source of the wealth and power of the Motherland, the source of the prosperous and cultural life of all working people. She is sacred and inviolable. The Constitution of the USSR obliges every citizen of Soviet society to protect and strengthen public property. Persons encroaching on socialist property are enemies of the people and are punished according to the law.

Two forms of socialist property.

In the first phase of communism (*that is socialism*), public socialist property exists in two forms: 1) in the form of state property and 2) in the form of cooperative-collective farm property. State socialist property is the property of the entire Soviet people, represented by the socialist state of workers and peasants. Cooperative-collective-farm socialist property is the property of individual collective farms, cooperative associations.

The two forms of socialist property correspond to two types of socialist farms: 1) state-owned enterprises (factories, factories, state farms, MTS, etc.) and 2) cooperative (collective) farms (collective farms, trade artels, enterprises of consumer cooperation).

The existence of two forms of socialist property is caused by the historical conditions in which the proletarian revolution and the building of socialism are carried out. The working class, having conquered state power, finds historically formed various forms of private property: on the one hand, large-scale capitalist property based on the exploitation of the labor of others, on the other hand, small private property of peasants, handicraftsmen, and artisans, based on their personal labor. In the course of the socialist revolution, large capitalist property is expropriated and passes into the hands of the socialist state. This is how state (public) socialist property arises. At the same time, the program of scientific socialism rejects the expropriation of peasants, handicraftsmen and artisans as hostile and criminal. Small and medium commodity producers voluntarily unite into production cooperatives, that is, collective farms, trade cooperative artels, and their ownership of the main means of production is socialized on a cooperative basis. This is how cooperative-collective-farm property arises.

Thus, the existence of two forms of social property is an objective necessity and expresses the uniqueness of the paths along which the working class and the peasantry come to socialism, and then gradually to communism.

"Both of the two classes existing in the USSR are building socialism, entering the system of the socialist economy. But being in one general system of socialist economy, the working class is connected by its labor with state socialist property (public property), and the collective-farm peasantry with cooperative-collective-farm property belonging to individual collective farms and collective-farm cooperative associations. This connection with various forms of socialist property primarily determines the difference in the position of these classes. This also determines the well-known difference in the paths of their further development.

What they have in common in their development is that both of these classes are developing towards socialism .

State property in the USSR is land, its subsoil, water, forests, factories, factories, mines, mines, railway, water, and air transport, banks, means of communication, large agricultural enterprises organized by the state (state farms, machine, and tractor stations, etc.), state-owned trading and procurement enterprises, as well as public utilities and basic housing stock in cities and industrial centers.

The territory of the Soviet Union occupies one sixth of the earth's land area - 22.4 million square kilometers. Almost a quarter of this area - over 600 million hectares - is agricultural land; almost one third - 700 million hectares - is covered by forests.

The USSR is the richest country in the world in terms of mineral resources. The socialist economic system brought to life wealth that remained untouched in tsarist Russia. Of the 92 elements of the Mendeleev system, 20 were mined in Tsarist Russia, more than 80 are mined in the USSR. In terms of reserves of iron ore, oil, potash salts, apatite, peat and a number of other important minerals, the USSR ranks first in the world, in terms of coal reserves - in second .

200,000 enterprises of state industry, the entire network of railways, water transport enterprises, state enterprises in agriculture: about 5,000 large state farms, 9,000 machine and tractor stations,

and thousands of auxiliary agricultural enterprises are the property of the whole people.

Many thousands of state trade enterprises are the property of the whole people. The state owns numerous scientific and cultural institutions.

State socialist property, which arose as a result of the nationalization of factories, plants, transport, etc., has been greatly increased by the labor of the Soviet people during the years of socialist construction. Thus, in 1953 the fixed production assets of industry grew by a factor of 22 in comparison with 1913.

State socialist property is fundamentally different from state capitalist property. With the transition of certain enterprises or even entire branches of the economy into the ownership of the bourgeois state, their social nature does not change. The bourgeois state represents the interests of monopoly capital and is in its hands an apparatus of violence through which the oppression of the working majority by the possessing minority is ensured. Therefore, state-capitalist enterprises are enterprises based on the exploitation of the working people by the bourgeois class as a whole, and oppose the people as an alien, enslaving force.

In a socialist society, the working class holds power in its hands. He owns the state means of production jointly with the whole people. The labor power employed in socialist enterprises is not a commodity, since the working class, which owns the means of production, cannot hire itself and sell its labor power to itself. In view of this, any possibility of exploitation of man by man is ruled out at state socialist enterprises.

State property is the predominant form of property in socialist society: it accounts for about 91 percent of all the production assets of the USSR. Thus, the vast majority of the wealth of the Soviet country, the most important sources of growth in the material well-being and culture of the working people, are the property of the entire people.

Cooperative-collective-farm property in the USSR includes public enterprises in collective farms and cooperative organizations with their live and dead implements, the products produced by collective farms and cooperative organizations, and also their public buildings. Collective farms and other cooperative enterprises operate on land that is the property of the whole people. The richest modern technology, concentrated in the machine and tractor stations and used to carry out all the basic work on the collective farms, is also the property of the whole people.

Cooperative collective farm property is primarily the property of the 93,000 collective farms: collective farm buildings, hundreds of thousands of livestock farms, socialized draft animals, agricultural implements, a large network of collective farm cultural and community institutions (clubs, reading rooms, nurseries, rural laboratories, etc.). In the course of socialist construction, public collective-farm property has increased enormously. From 1940 to 1953 the indivisible funds of collective farms increased 2.5 times.

The cooperative form of industrial production in socialist society exists in the form of industrial artel enterprises. Industrial cooperation is designed to develop the production of mainly consumer goods, using primarily local resources of raw materials for this. The means of production used by the enterprises of trade cooperatives and the products they produce are the property of the trade artels. The industrial cooperation of all systems in the USSR in 1953 totaled about 16,000 artels with industrial production. The cooperative form of enterprises in trade exists in the form of consumer societies, comprising mainly the rural population. The property of 23 thousand consumer cooperation societies is an extensive network of shops, shops, warehouses.

The all-round strengthening and development of state and cooperative-collective-farm property is the most important condition for the further growth of the entire national economy, the gradual transition of Soviet society from socialism to communism.

State and cooperative-kolkhoz forms of ownership, as well as state enterprises and collective farms, are of the same type in their social nature. What is common between state enterprises and collective farms is that both of them: 1) are based on socialist socialized means of production and collective labor, 2) exclude the possibility of exploitation of man by man, 3) conduct their economy in a planned manner, in the interests of satisfying the growing needs of the working people, 4) implement the socialist principle of distribution according to work.

At the same time, there are certain differences between state and cooperative-collective-farm forms of ownership, as well as between state enterprises and cooperative (collective) farms .

Firstly. State enterprises are dominated by socialist relations of production in their most mature and consistent form. State property is public property; in state enterprises all the means of production without exception have been socialized. Cooperative-collective-farm property is group property, the property of individual collectives or associations of workers (agricultural artel, consumer society, trade artel); in the collective farms (in their artel form) the main the means of production of the co-operative peasants; a certain part of the means of production, in accordance with the Rules of the agricultural artel, is not socialized and remains in the personal property of the collective-farm household (collective farmer's personal subsidiary plot).

Secondly. The output of state enterprises is the property of the socialist state and is sold in the manner and at prices established by the state bodies. The output of collective farm production is the property of the given collective farm. Part of this production is used to fulfill obligations to the state in the form of procurement at fixed state prices and to pay in kind for the work performed on the collective farm by the machine and tractor station. All the rest of the output remains at the disposal of the collective farm and is used to set up established public collective farm funds and to distribute it among the members of the artel according to workdays. Collective farms sell

some of their produce at purchase prices, which are much higher than procurement prices, or through collective-farm trade at market prices. Thirdly. In state enterprises, which are the property of the whole people, the share of the social product that goes into the personal consumption of the worker is paid in the form of wages. The state establishes a pre-fixed wage rate per unit of product or working time. The collective farmer, being a member of this artel, which is group property, receives his share of income on workdays . from the fund of his collective farm. The size of this share of income depends both on the degree of the collective farmer's participation in social labor, which finds expression in the number of workdays worked out by him, and on the level of labor productivity and the development of the social economy of the collective farm, which finds expression in the height of payment for each workday. The better the collective farm as a whole works, the higher the yield of agricultural crops and the productivity of animal husbandry in a given collective farm, the higher the income of each collective farmer. Wages are paid to the worker in cash. The income of the artel is distributed among the collective farmers in cash and in kind (products). While the source of income for the worker is only labor in the socialist enterprise, the main source of income for the collective farmer is his labor in the social economy of the collective farm. an additional source is labor in the personal subsidiary plot of the collective farm yard. The collective farmer sells part of his produce, received by him for workdays and from his personal subsidiary farming, on the market.

Fourth. The socialist state directly manages the enterprises belonging to it, exercising control over them through its authorized representatives, the directors of the enterprises, who are appointed and dismissed by the corresponding state bodies. State organs directly plan the entire production activity of these enterprises and regulate the basic provisions in the field of the socialist organization of labor. In collective farms, in accordance with their cooperative nature, all affairs are managed by the supreme body of the agricultural artel - the general meeting of collective farmers and the board and chairman of the collective farm elected by it. The production and financial plans of the artel, internal regulations,

production rates and prices, the procedure for distributing income are established by the collective farmers themselves on the basis of the Charter of the agricultural artel, guided by existing laws, plan assignments and directives of the socialist state.

Differences between state enterprises and cooperative (collective) farms are differences of a non-indigenous nature. These are the differences between the two types of economy within the limits of socialist relations of production. State property is the highest form of socialist property, and the state form of production is the highest form of socialist production.

Enterprises based entirely on state ownership are enterprises of a consistently socialist type. Lenin defined them as enterprises in which "both the means of production belong to the state, and the land on which the enterprise stands, and the entire enterprise as a whole" [4]. In state enterprises, the means of production, the labor of workers and employees, and the products they produce are socialized on the scale of the whole of society. The state form of production embraces the leading branch of the national economy—socialist industry. Large factories for the production of agricultural products - state farms - are public property. The state owns land and the main instruments of production - tractors, combines and other agricultural machines concentrated in machine and tractor stations. State property, as the highest form of socialist property, plays the leading and determining role in the entire national economy.

Personal property under socialism.

Public property under socialism extends to the means of production and to manufactured products. Some of these products later serve as means of production, while remaining public property. The other part of the output, consisting of articles of consumption, is distributed among the workers in accordance with the quantity and quality of the labor of each of them, and becomes the personal property of the workers.

In The Communist Manifesto, Marx and Engels pointed out that communism does not deprive anyone of the possibility of personal appropriation of a certain share of the product of social labor. socialism only destroys the miserable character of such appropriation, which is inherent in capitalism, when the worker lives only to increase capital, and lives only insofar as the interests of the ruling class require it.

Describing the foundations of the future socialist society, Engels wrote in Anti-Dühring that here “public property extends to land and other means of production, and individual property to other products, i.e., to consumer goods” [5] .

With the destruction of the capitalist mode of production, the economic laws of capitalism, which limit personal property, personal consumption of the masses of the masses to beggarly limits - the minimum of life's blessings necessary for the maintenance and reproduction of the labor force - lose their force.

In contrast to capitalism, where production is put at the service of the selfish goals of enriching the exploiters, socialism subordinated production to the goals of maximum satisfaction of the continuously growing material and cultural needs of the whole of society. Socialism not only does not abolish personal ownership of consumer goods, but creates the only firm guarantee of ever more complete satisfaction of the personal needs of all members of society.

The right of personal property of the workers of socialist society extends to their labor income and savings, to a dwelling house and ancillary households, to household and household items, to articles of personal consumption and convenience.

A special type of personal property under socialism is the property of the collective farm household. In accordance with the Rules of the Agricultural Artel, each collective-farm yard owns a subsidiary farm on a household plot, a dwelling house, productive livestock, poultry, and small agricultural implements.

The source of personal property in the era of socialism is only labor. Under the conditions of the undivided domination of socialist

production relations, objects that are in personal ownership cannot be converted into capital, that is, used as means of exploitation. The right to personal property, as well as the right to inherit personal property, is protected by the Constitution of the USSR.

Personal property under socialism is inextricably linked with public property as its basis. With the multiplication of social property, with the growth of the people's wealth, ever greater masses of products are used to satisfy the personal needs of the working people of socialist society.

The nature of socialist production relations.

The relations of production in a socialist society differ fundamentally from the relations of production of capitalism and other social formations based on private ownership of the means of production.

Socialist relations of production are characterized by: 1) the undivided dominance of social ownership of the means of production; 2) the liberation of the working people from exploitation and the establishment of relations of comradely cooperation and socialist mutual assistance; 3) distribution of products in the interests of the working people themselves.

socialist property. on the means of production determines a completely different than under capitalism, the nature of the mutual relations of people in the process of production. While private ownership of the means of production inevitably divides people, gives rise to relations of domination and subordination, exploitation of some people by others, causes conflict of interests, class struggle and competition, public ownership of the means of production unites people, ensures a genuine commonality of their interests and comradely cooperation.

The dominance of public ownership of the means of production also determines the completely different nature of the distribution of products under socialism in comparison with capitalism.

Insofar as there are no exploiting classes and no exploitation of man by man in socialist society, there is no division of labor into necessary

and surplus labour, and also no division of the product into necessary and surplus product. Socialist relations of production determine the objective necessity of a completely different division of labor and its product than under capitalism. Since under socialism the means of production are in public ownership, and production itself is designed to satisfy the needs of society as a whole and each of its members, the labor of workers in production is divided here into the following two parts: labor for themselves and labor for society. Accordingly, the product of labor (minus that part of it which is used to replace the spent means of production) is also divided into two parts; a product for oneself and a product for society. Labor creates for itself a product that is distributed among the production workers in accordance with the quantity and quality of their labor and goes to cover the personal needs of the worker and his family. Labor for society creates a product that is used for social needs: for the expansion of production, the development of education, health care, the organization of defense, etc. In a socialist society, where the working people themselves are in power, labor for society is as necessary for them as work for yourself. A product for society, used to expand socialist production, multiplies the material prerequisites for further growth in the well-being of the working people. The product for society, spent on the development of education, health care, social security, and other public needs, also serves the purpose of satisfying the needs of the working people, just as the product for oneself.

Public ownership of the means of production and the products of labor and the distribution of the products of labor in the interests of the working people determine the decisive advantages of the socialist economic system over the capitalist system. All the benefits of large-scale social production, which ensures a huge increase in the productive power of labor, go to society as a whole and to the working masses, and not to the exploiters, as is the case under capitalism.

The dominance of public ownership of the means of production means that socialist production is free from the contradiction between the social character of production and the private capitalist form of appropriation of the results of production inherent in capitalism.

Under socialism, the social character of production corresponds to socialist ownership of the means of production. Because of this, in a socialist society there is a complete correspondence between the relations of production and the forces of production.

Describing the socialist system, I. V. Stalin writes:

“Here the relations of production are in full conformity with the state of the productive forces, for the social character of the process of production is reinforced by social ownership of the means of production.

Therefore, socialist production in the USSR does not know periodic crises of overproduction and the absurdities associated with them.

Therefore, the productive forces develop here at an accelerated pace since the relations of production corresponding to them give them full scope for such a development .

In contrast to the production relations of modern capitalism, which serve as fetters for the development of the productive forces, socialist production relations ensure the rapid growth of the productive forces. Having arisen and developed on the basis of certain productive forces, socialist relations of production, in turn, are a powerful engine for their further accelerated development.

The complete correspondence of socialist relations of production to the nature of the productive forces of society does not mean, however, that there are no contradictions between them. Being the most mobile and revolutionary element of production, the productive forces even under socialism go ahead of the relations of production, and the relations of production only after some time are brought into line with the state of the productive forces. The present relations of production in the USSR are going through a period in which, fully in line with the growth of the productive forces, they are moving them forward at a rapid pace. But contradictions between them inevitably arise, insofar as the development of production relations lags behind and will lag behind the development of the productive forces. However, under socialism, in contrast to social formations based on exploitation, it usually does not come to a conflict between the relations of

production and the forces of production. Socialist society is in a position to bring production relations into line with the nature of the productive forces in a timely manner, since it does not include classes interested in preserving obsolete forms of economy.

SUMMARY

1 . In the USSR, public ownership of the means of production reigns supreme. Under socialism, there are two forms of public property: state and cooperative-collective farm. Correspondingly, there are two types of socialist farms: state enterprises and cooperative (collective) farms.

2. In a socialist society, state property is public property. In the USSR, it covers the vast majority of the country's wealth. Cooperative-collective-farm property is the group property of individual collective farms, artels of industrial cooperation, and consumer societies. State property is the highest, most developed form of socialist property; it has a leading and determining role in the entire national economy.

3. Personal property under socialism extends to consumer goods. A special type of personal property is the personal property of a collective farm household. The personal property of the working people is growing on the basis of the multiplication of socialist social property.

4. The production relations of socialism are characterized by: 1) the undivided dominance of social ownership of the means of production; 2) the liberation of the working people from exploitation, comradesly cooperation, and socialist mutual assistance between people in the process of producing material goods; 3) distribution of the product in the interests of the workers themselves.

The labor of workers in socialist production is divided into two parts: labor for themselves and labor for society. By labor for themselves, workers create a product that is distributed among them according to the quantity and quality of labor, and by labor for society , a product that goes to public needs.

Under socialism the relations of production are in full conformity with the nature of the productive forces and are the main and decisive force determining the rapid growth of the productive forces of socialist society.

[1] K . Marx and F. Engels, *The Communist Manifesto*, K. Marx, F. Engels, *Selected Works*, vol. I, 1948, p. 21.

[2] *Ibid.*, p. 22.

[3] V. M. Molotov, *The Constitution of Socialism, Articles and Speeches*, 1937, p. 267.

[4] V. I. Lenin, *On cooperation*, *Works*, vol. 33, p. 433.

[5] F. Engels, *Anti-Dühring*, 1953, p. 123.

[6] I. V. Stalin, *On Dialectical and Historical Materialism*, "Problems of Leninism," ed. 11, 1952, p. 597.

The Fundamental Economic Law of Socialism

The nature of economic laws under socialism.

As a result of the replacement of the old, bourgeois production relations by socialist production relations, the economic laws of capitalism, which express the relations of exploitation of man by man, lose their force. The laws of surplus value and capitalist profit, the basic economic law of modern capitalism, are leaving the stage. The universal law of capitalist accumulation, the law of competition and anarchy of production, and others cease to operate. The categories that express capitalist relations disappear: capital, surplus value, profit on capital, the price of production, wage labor, the cost of labor power, etc.

With the emergence and development of socialist production relations, on the basis of new economic conditions, new economic laws arise and begin to operate: the basic economic law of socialism, the law of the planned (proportional) development of the national economy, the law of a steady increase in labor productivity, the law of distribution according to work, and others.

Since commodity production is preserved under socialism, the law of value operates in a socialist economy and there are categories associated with it. However, what remains of the old categories is mainly the form, while their content changes radically. The old is not completely abolished, but changes its nature in relation to the new, retaining only the form; the new does not just destroy the old, but penetrates into the old, changes its nature and functions, while it uses the old form to grow and strengthen the new. The new economic conditions that have taken shape as a result of the victory of socialism are changing the nature of commodity production and commodity circulation and limiting their scope. Under socialism commodity production and commodity circulation exist without capitalists and serve the socialist economy. The scope of the law of value is strictly limited. Money, trade, banks are used as instruments of socialist construction.

The development of the socialist mode of production is also subject to economic laws that are common to all formations, such as the law of the obligatory correspondence of production relations to the nature of the productive forces.

The economic laws of socialism express relations of comradely cooperation and mutual assistance of workers free from exploitation, while the economic laws of capitalism express the growing exploitation of labor by capital. The action of the economic laws of socialism leads to an ever greater strengthening of the unity of socialist society, to the flourishing of its economy, to an increase in the well-being of the people, and creates conditions for a gradual transition to communism, while the action of the economic laws of bourgeois society causes an ever greater aggravation of class antagonisms, the impoverishment of the masses, and the decay of capitalist society. building and ultimately his death.

The economic laws of socialism, like the economic laws of any other mode of production, arise and act independently of the will of people, that is, they are objective . They cannot be created, formed, transformed, or abolished by the will of the people.

Denying the objective nature of the economic laws of socialism would mean the liquidation of the political economy of socialism as a science, would deprive socialist society of the possibility of foreseeing the course of events in the economic life of the country and establishing even the most elementary economic leadership. Such a denial is a departure from Marxism to the position of subjective idealism; it inevitably leads to adventurism in politics, to arbitrariness in the practice of managing the economy.

The objective nature of the economic laws of socialism does not at all mean that they act like an elemental force dominating people, that people are allegedly powerless in the face of economic laws. Such a fetishization of economic laws inevitably leads to positions of the theory of gravity and spontaneity in socialist construction. It is deeply hostile to Marxism-Leninism. Under socialism, in view of the

replacement of private ownership of the means of production by social ownership, the possibilities for the knowledge and use of the laws of economic development by society are greatly expanded.

If the economic laws of capitalism make their way as a blind, destructive force acting behind the backs of private commodity producers, then with the transition to socialism the anarchy of production disappears, and the economic development of society acquires a planned character. With the liquidation of capitalism and the socialization of the means of production, people become masters of their social and economic relations. Having learned the objective laws, people apply them quite consciously in the interests of the whole society.

With the transition to socialism, Engels pointed out, "the laws of their own social actions, which have hitherto opposed people as alien laws of nature dominating them, will be applied by people with full knowledge of the matter, therefore, will be subject to their domination. The social existence of people, which until now has opposed them, as imposed from above by nature and history, now becomes their own free affair. The objective, alien forces that have hitherto dominated history come under the control of man himself. And only from that moment on people will begin to create their own history quite consciously, only then the social causes set in motion by them will have, to a significant and ever-increasing degree, the consequences they desire" [1] . This is freedom as a recognized necessity.

Under capitalism, to the extent that the bourgeoisie is able to cognize the objective economic laws, it uses them in narrow class interests that are in conflict with the interests of the working masses. Under socialism, since the class interests of the proletariat merge with the interests of the overwhelming majority of society, economic laws are applied in the interests of the masses. The interests of the working class, the working people fully correspond to the objective course of the progressive development of society, leading to the victory of

socialism. The working class, all working people, are vitally interested in knowing and using the laws of economic development.

Thus, the objective character of the economic laws of socialism consists in the fact that these laws exist independently of the will and consciousness of people; they cannot be abolished or transformed by the will of the people; failure to comply with the requirements of these laws inevitably leads to a breakdown in the economic life of the country. But socialist society can recognize these laws, master them, and use them in its own interests.

The economic laws of socialism make it possible to develop and advance the socialist economy. To turn this possibility into reality, it is necessary to learn how to apply these objective economic laws with full knowledge of the matter. Scientific knowledge and the correct application of objective economic laws are the basis of the economic policy of the Communist Party and the socialist state. The more fully socialist society cognizes economic laws, the more accurately it reflects the requirements of these laws in its practical activities, the more successfully it achieves its goals.

Essential features of the basic economic law of socialism.

Marx and Engels foresaw that under socialism the goal of planned production would be to satisfy the needs of both society as a whole and each of its members. Developing this Marxist position, Lenin wrote in the draft program of the RSDLP in 1902 that the replacement of capitalist society by socialist society would be carried out "to ensure the complete well-being and free all-round development of all its members" [2]. Lenin scientifically substantiated ways to improve the well-being of the working people, a program for the continuous growth of production, the development and application of higher technology under socialism. Thus, Lenin revealed the initial provisions of the basic economic law of socialism, which formed the basis of the policy of the Communist Party and Soviet power.

Based on these provisions, Stalin gave a detailed formulation of the basic economic law of socialism.

The essential features and requirements of the basic economic law of socialism are "ensuring the maximum satisfaction of the ever-growing material and cultural needs of the whole society through the continuous growth and improvement of socialist production on the basis of higher technology" [3] .

The fundamental economic law of socialism expresses the goal of socialist production and the means to achieve it.

The purpose of production is determined by the relations of ownership of the means of production. When the means of production belong to the bourgeoisie, production is inevitably carried on to enrich the owners of capital, and the working people, that is, the overwhelming majority of society, serve only as raw human material for exploitation. The consumption of workers is necessary for capitalism only to the extent that it ensures the extraction of profits, therefore man with his needs cannot be the goal of production here. When the means of production belong to the working people and the exploiting classes have been eliminated, production is carried on in the interests of the working people, that is, of the entire socialist society. Therefore, the most complete satisfaction of the growing material and cultural needs of people becomes the immediate goal of production.

The goal to which production is subordinated is inextricably linked with the means that ensure the achievement of this goal. In accordance with the goal of socialist production - the satisfaction of the growing needs of the working people - the means to achieve this goal can only be the continuous growth and improvement of socialist production on the basis of higher technology.

Satisfaction of the needs of the population depends on the level of the productive forces, on the available resources at the disposal of socialist society. The systematic growth of the needs of the working people necessitates a continuous expansion of production. Without a continuous rise in production, it is impossible to ensure a steady

increase in national consumption. In turn, the steady growth of the working people's needs and their purchasing power is a necessary condition without which production cannot continuously move forward.

Under socialism, the main contradiction of capitalism, between the social character of production and the private capitalist form of appropriation, has been eliminated. Therefore, socialism knows no antagonism between production and consumption. The basic economic law of socialism creates the possibility of harmonizing the growing purchasing power of the population with a simultaneous increase in production. Under capitalism, the beggarly level of consumption, the purchasing power of the masses of the people, constantly lags behind production, slows it down, as a result of which the development of the economy is carried out intermittently - from crisis to recovery and from recovery to crisis. Socialist society, on the other hand, thanks to the systematic increase in popular consumption, is guaranteed against crises of overproduction and, consequently, has the possibility of a continuous expansion of production.

In a socialist society, the contradiction between the level of socialist production reached at any given moment and the rapidly growing needs of the masses is resolved by raising production, which leads to an increase in the consumption of the working people and to a new increase in needs, causing a further expansion of production. Thus, the constant growth of the material and cultural needs of the people serves under socialism as a powerful driving stimulus for the continuous development of production.

A necessary condition for the uninterrupted growth of socialist production is the preferential, that is, relatively faster, development of the branches producing the means of production as compared with the development of the branches producing articles of personal consumption. The priority development of heavy industry and its core, machine building, is the main source of the advance of the socialist national economy as a whole, a necessary condition for technical progress. Without the predominant growth of heavy

industry, which supplies all branches of the national economy with equipment, machinery, fuel, and energy, it is impossible to systematically expand production in the branches engaged in the production of goods for the population and ensure the satisfaction of the growing needs of the working people.

The continuous growth of socialist production requires its constant improvement, improvement of production methods, and a steady increase in the productivity of social labor. This is impossible without a constant increase in the technical level of production, the replacement of obsolete equipment with new ones. Therefore, the development of higher technology is the basis for the continuous growth and improvement of socialist production.

Socialist relations of production have opened up unprecedented scope for technical progress, while in bourgeois society the progress of technology is limited by the limits of securing maximum profit. If capitalism is characterized by unevenness and periodic interruptions in the development of technology, then socialism is characterized by the continuous improvement of technology in all branches of production.

The higher the level of technology, the more resources socialist society has to meet the growing needs of the working people. The economic system of socialism creates a direct interest of the working people in an increase in production and in the wide application of advanced technology. In turn, this interest of the people in the development of socialist production serves as a constantly active factor in the development of the creative initiative of the broad masses, aimed at improving production in every possible way.

Thus, it follows from the goal of socialist production that the development of production has become the vital concern of the working people themselves. This is the greatest source of the uninterrupted advance of the socialist economy.

The fundamental economic law plays a decisive role among the economic laws of socialism. It determines all the main aspects and all the main processes of development of socialist production.

The basic economic law of socialism and the growth of the welfare of the working people.

The basic economic law of socialism expresses the fundamental advantages of the socialist system over the capitalist one. The action of the basic economic law of modern capitalism leads to a growing retardation of the development of the productive forces, to the growing impoverishment of the working masses, to the enslavement and systematic plunder of the peoples of backward countries and colonies, to the militarization of the economy and to bloody wars that exterminate millions of people. The action of the fundamental economic law of socialism leads to a powerful upsurge of the productive forces, a systematic rise in the material and cultural level of the working people, to the development of a peaceful economy, and to the strengthening of peaceful co-operation among peoples.

Soviet society from year to year increases the mass of material goods produced in the entire national economy, ensures the uninterrupted nature and high rates of development of socialist production. Soviet industry is steadily advancing along an ascending line on the basis of an increase in civilian production.

In 1939, the volume of industrial output compared to the level of 1929 was: in the USSR - 552%, in the USA - 99%, in England - 123%, in France - 80%. Despite the colossal destruction inflicted on the Soviet national economy during the war years, the pre-war level of production in the USSR was soon significantly exceeded. As a result, the volume of industrial output in the USSR in 1953 increased by almost 16 times in comparison with 1929.

US industrial production from 1929 to 1939 marked time, then it rose due to an increase in military production and the arms race and in 1953 exceeded the 1929 level by a little more than 2 times. The

industrial production of England in 1953 was more than in 1929, by only 62%, in France - by 5%.

The continuous growth of socialist production constitutes a solid material basis for the constant improvement of the material and cultural standard of living of the Soviet people. In socialist society, the miserable level of consumption of the masses, inherent in the bourgeois system, has been overcome. Under socialism, the mass of the product created by labor for itself and going into the personal consumption of the working people invariably increases. There is also an increase in the mass of the product created by labor for society and used to expand production and satisfy the material and cultural needs of the working people.

In accordance with the requirements of the basic economic law of socialism in the USSR, there is a steady increase in the real incomes of the population and a systematic increase in the amount of consumer goods purchased by the population at declining prices.

The real incomes of the working people of the USSR (that is, incomes calculated taking into account changes in prices) increased, calculated per worker, as follows: for workers in 1940, compared with 1913, taking into account the elimination of unemployment, more than three times; the peasants - about three and a half times; in 1952, the incomes of workers and employees increased by 68% compared with 1940, and the incomes of the peasants by about 72 per cent. In 1953, the total income of workers, employees and peasants increased by another 13% compared to 1952.

The volume of production of consumer goods in large-scale industry in the USSR in comparable prices increased in comparison with 1913: in 1940 - 7.6 times, and in 1953 - 14 times.

A constantly acting factor in the growth of the real incomes of the working people of the USSR is the provision by the Soviet state of the population on a large scale of free cultural and everyday services, pensions, allowances, stipends, benefits, etc. In the Soviet Union there

is a system of social insurance and social security inaccessible to capitalism.

Socialism means the continuous improvement of the working and living conditions of the masses. It transforms public services for the population from a means of profit for the capitalists into a source of raising the standard of living of the people. While capitalism increasingly worsens the living conditions of the working people, forcing them to live in slums, socialism ensures a steady improvement in the living conditions of the population. In the USSR, thanks to public ownership of the basic housing stock in the cities and large-scale state housing construction, urban slums have been liquidated, and unsatisfactory dwellings are increasingly being replaced by new, well-appointed houses.

In bourgeois countries, medical care, being a private matter, is mainly in the hands of capitalist entrepreneurs, is provided mainly for high pay, and therefore is inaccessible to the broad masses of the population. The USSR has created a multilateral public health system that provides the population with all types of medical care free of charge.

Socialism opens up wide opportunities for the cultural growth of the working people, for the development of abilities and talents, of which the people have an inexhaustible spring. While capitalism allows the education of the working people only within those very narrow limits dictated by the interests of capitalist exploitation, socialism creates the conditions for ever more complete satisfaction of the rapidly growing needs of the masses in the field of education, culture, science and art. "Earlier," Lenin said in 1918, "the whole human mind, all its genius, created only to give some all the benefits of technology and culture, while depriving others of the most necessary thing - enlightenment and development. Now all the wonders of technology, all the achievements of culture will become the property of the whole people, and henceforth never will the human mind and genius be turned into means of violence, into means of exploitation.[4] .

The satisfaction of the growing cultural needs of the people is ensured in the USSR by extensive measures in the field of cultural development: free education and advanced training, scholarships for students, the systematic expansion of the network of schools, cultural and educational institutions, libraries, clubs, an increase in the output of printed publications, etc.

The number of students in the USSR in all types of education increased from 8 million in 1914 to 49 million in 1940 and 57 million in 1952. At the same time, the number of students in secondary schools (grades 5–10) and in secondary technical educational institutions increased from 0.7 million people in 1914 to 14.8 million in 1940 and 21.4 million people in 1953. The number of students in higher educational institutions increased from 117 thousand in 1914 to 812 thousand in 1940 and up to 1,562 thousand people in 1953. The number of teachers and teachers in all educational institutions and educators in children's institutions in 1953 amounted to more than 2 million people and exceeded their number compared to 1914 by almost 10 times.

Relying on the basic economic law of socialism, the Communist Party and the Soviet state are pursuing a policy that ensures a steady rise in the well-being and cultural level of the masses.

The economic role of the socialist state.

The objective economic laws operating under socialism are recognized and used by the socialist state in the practice of communist construction. The success of economic policy depends primarily on how correctly it reflects in its activities the requirements of economic laws.

The character of the socialist state is determined by the economic basis of socialism. The socialist system of economy, the ownership of the means of production by the working people corresponds to the political power of the working people, headed by the working class. If the policy of the modern bourgeois state expresses the interests of the capitalist monopolies and is aimed at increasing their profits, then

the policy of the socialist state, the state of the workers and peasants, expresses the fundamental, vital interests of the working people and enjoys the undivided support of the masses of the people.

In accordance with the fundamental economic law of socialism, the main duty of the socialist state is to provide the best possible satisfaction for the ever-growing needs of the masses of the people. "In the field of domestic policy, our main concern is to steadily achieve a further improvement in the material well-being of the workers, collective farmers, the intelligentsia, and all Soviet people. The law for our Party and the Government is the obligation to unremittingly care for the welfare of the people, for the maximum satisfaction of their material and cultural needs" [5] .

From the nature of socialist relations of production flows a new economic role, hitherto unknown in history, for the socialist state. The Soviet state is the owner of at least 9/10 of all the country 's means of production. Thanks to public ownership of the means of production, the state was able, relying on the economic laws of socialism and consciously applying them in its activities, to carry out planned management of the national economy, to perform an economic and organizational function. Such a role is inaccessible to the bourgeois state due to private capitalist ownership of the means of production and the spontaneous nature of the economic development of capitalist society.

The socialist state takes into account the diverse needs of society and, in accordance with these growing needs, steadily develops and improves production. In accordance with real conditions - domestic and international - at each stage it determines the specific tasks of economic construction, sets the direction and pace of development of the national economy. It takes into account not only the results of the past, but also the emerging trends of future development and carries out its economic and organizational function on the basis of scientific foresight. The advanced social science - Marxism-Leninism - serves as the theoretical basis for the many-sided activity of the socialist state.

The economic and organizational and cultural and educational work of the Soviet state embraces all aspects of the life of socialist society. The Soviet state exercises planned management and management of state enterprises in all branches of the economy. The state and its bodies appoint heads of state enterprises, their associations and entire industries and control their work. The state plans the national economy of the country: it distributes material, labor, financial resources, determines the growth rate of the productivity of social labor, the volume and structure of production, the country's domestic and foreign trade turnover, the prices of state and cooperative trade goods, the level of wages of workers and employees, etc. . The Soviet state directs the economic life of the collective farms and directs the collective farms through the local Soviets, the MTS, through the system of elected bodies of the agricultural artel, while taking into account the peculiarities of the collective farms as cooperative enterprises. It promotes in every way the strengthening of the alliance between the working class and the peasantry and the expansion of economic ties between town and country.

The Soviet state guarantees citizens the real exercise of such vital rights as the right to work, the right to education, the right to material security in the event of loss of working capacity and in old age. It is implementing a system of measures to ensure an abundance of industrial and food products in the country and to sharply raise the living standards of the working people. In accordance with this, on the basis of the successes achieved in the development of heavy industry, the state organizes a sharp upswing in agriculture, in industry producing goods for the population, and in Soviet trade.

The Soviet state directs all branches of culture: public education, the training of qualified personnel, the development of advanced science and art, and the application of scientific and technological achievements in production.

The strength of the Soviet state apparatus lies in its connection with the masses of the people. It follows from the essence of the socialist system that centralized state leadership must be combined with the

initiative of the localities, with specific consideration of local characteristics.

The most important principle of state management of the economy is the unity of economic and political work. "In practice, politics and economy are inseparable. They exist together and act together. And whoever thinks in our practical work to separate economics from politics, to intensify economic work at the cost of diminishing political work, or, conversely, to strengthen political work at the cost of diminishing economic work, he will inevitably fall into a dead end .

The leading and organizing force of the Soviet state is the Communist Party, which directs the activities of all state organs and public organizations of the working people. The Party issues directives for drawing up national economic plans and develops major economic measures that are of vital importance for the entire country. The Party, strong in its ties with the working masses, mobilizes the workers, collective farmers, and intelligentsia to carry out economic and political tasks, educates the masses, raises their communist consciousness. The policy of the Communist Party and the socialist state, aimed at satisfying the new, urgent needs of the economic development of society, plays the greatest progressive role.

The development of the socialist mode of production takes place in the order of the struggle of the new against the old, the emerging against the dying, the progressive against the backward, by overcoming contradictions and difficulties. These contradictions are non-antagonistic in nature since they are not connected with opposing class interests and are overcome in the course of socialist construction.

In a socialist society there are no exploiting classes, but there are backward elements, bearers of private property tendencies and skills, who oppose the development of new, progressive tendencies in the socialist economy, there are still plunderers of public property, bureaucratic elements that neglect the needs of the people, the survivals of capitalism in the minds of people have not yet been completely overcome. The Soviet state, led by the Communist Party,

encourages the initiative of the working people, and supports progressive tendencies in all spheres of public life. The Soviet state carefully supports the sprouts of the new, strengthens them, promotes the introduction and dissemination of advanced methods of production; it is waging a stubborn struggle against all inert forces hindering the rapid development of socialist production.

One of the main forms of struggle between the new and the old under socialism is criticism and self-criticism, which are a powerful driving force in the development of socialist society. Criticism and self-criticism make it possible, on the basis of mobilizing the activity of the popular masses, to reveal and eliminate shortcomings and difficulties in work, to identify new reserves for accelerating the pace of economic development, and thereby overcome the contradictions of socialist society.

Aggressive imperialist circles seek to unleash a war against the USSR and the countries of people's democracy, to carry out subversive work in these countries by organizing sabotage, sabotage, and terrorist acts. This expresses the antagonistic contradiction between the USSR and the forces of imperialist aggression. The existence of an imperialist camp requires the Soviet state to strengthen in every possible way the economic might of the USSR and its defense capability.

The state of workers and peasants, using the advantages of the socialist economic system and guided by economic laws, directs the development of Soviet society along the road to communism.

SUMMARY

1. The economic laws of socialism are objective laws independent of the will and consciousness of people. They express relations of comradely cooperation and socialist mutual assistance of workers free from exploitation. The economic laws of socialism do not act as a blind, destructive force; they are recognized and used by socialist society. The Communist Party and the socialist state proceed in their economic policy from the economic laws of socialism.

2. The basic economic law of socialism determines all the main aspects and all the main processes of development of the socialist mode of production, the goal of socialist production and the means for achieving this goal. The essential features and requirements of the basic economic law of socialism are to ensure maximum satisfaction of the ever-growing material and cultural needs of the whole society through continuous growth and improvement of production on the basis of higher technology.

3. Under socialism, the growth of needs (the purchasing power of the masses) is the engine of socialist production and pushes it forward. The continuous growth of socialist production serves as the material basis for a steady rise in people's consumption. A necessary condition for the continuous growth of socialist production is the predominant development of the production of the means of production. Socialism ensures the steady development of advanced technology, which is necessary for the uninterrupted growth of socialist production, which more and more fully satisfies the growing needs of the working people.

4. In accordance with the constant increase in the mass of the product for themselves and the product for society, the size of the real incomes of the working people is systematically increased. Socialism means the constant improvement of the working and living conditions of people. It opens up the broadest possibilities for cultural construction, turning all the benefits of technology, science, and culture into the property of the whole people.

5. Expressing the vital interests of the people, the socialist state, led by the Communist Party, develops its economic-organizational and cultural-educational activities more and more widely. The development of the socialist mode of production occurs in order to overcome contradictions and difficulties. Relying on scientific knowledge of objective economic laws and using these laws, the socialist state ensures the victory of the new, progressive over the old in all areas of the economy, directing the development of society along the road to communism.

- [1] F. Engels, *Anti-Dühring*, 1953, p. 267.
- [2] V. I. Lenin, *Draft Program of the Russian Social Democratic Labor Party*, *Works*, vol. 6, p. 12.
- [3] I. V. Stalin, *Economic problems of socialism in the USSR*, p. 40.
- [4] V. I. Lenin, *Closing remarks before the closing of the III All-Russian Congress of Soviets*, *Works*, vol. 26, p. 436.

- [5] G. M. Malenkov, *Speech at the funeral meeting on the day of the funeral of Joseph Vissarionovich Stalin*, 1953, p. 10.

- [6] I. V. Stalin, *On the Shortcomings of Party Work and Measures to Eliminate Trotskyist and Other Double Dealers*, 1938, p. 26.

Law of Planned (Proportional) Development of the National Economy

The need for planned development of the national economy under socialism.

The socialist mode of production is characterized by the planned, proportionate development of the national economy. The necessity and possibility of the planned development of a socialist economy stems from social ownership of the means of production. Engels wrote that with the transfer of the means of production into the ownership of society, "social production becomes possible according to a premeditated plan" [1]. In contrast to private ownership of the means of production, which separates commodity producers and gives rise to competition and anarchy in production, public ownership unites numerous enterprises into a single national economic entity. Large-scale socialized socialist production cannot develop without a common plan that gives unity of purpose and action to the whole of society. Large-scale socialist production in the USSR reigns supreme not only in industry but also in agriculture (in the form of state farms, machine and tractor stations and collective farms). Socialism is inconceivable without the systematic linking of industry with agriculture, which provides raw materials and food and consumes industrial products.

In the socialist economy, as a result of the socialization of the means of production, such barometers of the economic life of bourgeois society as spontaneous fluctuations in market prices, the rate of profit, the level of interest, and stock prices, which guide the capitalists by directing their capital into various branches of production, have been eliminated. Spontaneity and spontaneity are incompatible with the development of socialist society. Under socialism, the distribution of the means of production and labor power between branches of the national economy is carried out in a planned manner. Just as capitalism is unthinkable without competition and the anarchy of production, which entail the waste of social labor, socialism is unthinkable without the planned development of the national

economy, which ensures the rational and economical use of social labor and its results.

Justifying the need for the planned development of the socialist economy, Lenin pointed out that it is impossible to manage the economy without having a plan designed for a long period, that the gigantic task of the socialist revolution is "the transformation of the entire state economic mechanism into a single large machine, into an economic organism that works in such a way that hundreds millions of people were guided by one plan" [2] .

Thus, public, socialist ownership of the means of production, large-scale socialized socialist production both in industry and in agriculture give rise to an objective necessity and create the possibility of a planned, proportional development of the entire national economy.

Planned (proportional) development of the national economy is the economic law of socialism.

The main features and requirements of the law of the planned development of the national economy.

Under socialism, the distribution of the means of production and labor power among various branches of the socialist economy is carried out on the basis of the law of the planned development of the national economy. The requirements of this law are that society should manage the national economy in a planned manner, that individual branches of production be systematically linked into a single whole and that the necessary proportionality be observed in their development, that material, labor, and financial resources be used most reasonably and efficiently.

However, the law of planned development does not contain a task, the implementation of which must be subordinated to the proportions in the national economy. The character of proportions in the socialist

economy is determined by the requirements of the basic economic law of socialism.

“The law of the planned development of the national economy can give the proper effect only if there is a task in the name of the implementation of which the planned development of the national economy is carried out ... This task is contained in the basic economic law of socialism” [3] .

The law of planned, proportional development of the national economy is the regulator of production in the socialist economy in accordance with the requirements of the basic economic law of socialism.

The requirements of the basic economic law of socialism are realized at each given stage, depending on the level of development of the productive forces reached, on the material resources available, on the internal and external situation in which the country of socialism lives. In accordance with this and on the basis of the law of planned (proportional) development, the proportions in the national economy are also established.

These proportions primarily include the correct correlation between the production of means of production and the production of consumer goods. As was said above, ensuring the continuous growth of production on the basis of higher technology requires a more rapid development of the branches that produce the means of production, in comparison with the branches that manufacture consumer goods. The development of heavy industry, and especially machine building, is a necessary condition for the technical armament and continuous growth of light, food, and other branches of industry that produce consumer goods.

Consequently, the proportions between the two divisions of social production must ensure, on the one hand, the predominant development of industries producing means of production, on the other hand, such an increase in industries producing consumer goods

as is required to satisfy the ever-growing needs of the people to the maximum extent possible at a given level of productive forces.

The fulfillment of the task of building socialism in the USSR and defending the country from external enemies, the imperialists, required the accelerated development of heavy industry. Without this, it was impossible to create a powerful material and production base of socialism and ensure the economic independence and defense capability of the country. As a result, the rate of growth of heavy industry far exceeded the rate of development of industries producing consumer goods. Over the past 28 years in the USSR, the production of means of production as a whole has increased by about 55 times, while the production of consumer goods has increased by about 12 times. If in 1953 the production of means of production increased more than three times in comparison with 1940, then the production of consumer goods increased by 72%. There was a discrepancy between the level of production of consumer goods and the increased needs of the population in these items. At the same time, on the basis of the successes achieved in the development of heavy industry in the Fifth Five-Year Plan, real conditions were created for a steep rise in the production of consumer goods.

Proceeding from this, the Communist Party, and the Soviet state, continuing to develop heavy industry in every possible way, are implementing a broad program for the rapid development of the light, food industry and agriculture in order to quickly solve the problem of a sharp increase in the production of consumer goods and raising the material well-being and cultural level of the Soviet people.

Of paramount importance is the establishment of correct proportions between industry and agriculture. Proportions in the development of industry and agriculture must ensure, on the one hand, the leading role of industry, arming agriculture with advanced technology and supplying the countryside with industrial goods, on the other hand, further continuous growth of state and collective farm production to supply the urban population with food, and industry with raw materials.

During the years of its existence, socialist agriculture has achieved great success on the basis of the collective-farm system. However, in terms of growth rates, agriculture lags far behind industry. From 1940 to 1952, with a 2.3-fold increase in industrial output, gross agricultural output in comparable prices increased by only 10%. In particular, such important branches of agriculture as grain production, animal husbandry, potato production, and vegetable growing are lagging behind. Because of this, a clear discrepancy arose between the rapidly growing demand of the population for grain, meat, dairy products, vegetables, fruits, etc., on the one hand, and the level of agricultural production, on the other.

This backwardness of agriculture from industry made it impossible to raise the people's consumption to the level which it could have attained given the degree of industrial development of the country. The powerful development of heavy industry created the conditions for a steep rise in socialist agriculture. It became possible and necessary to accelerate the growth of agricultural production in every possible way. Proceeding from this, in 1953 the Communist Party and the Soviet state set the task of achieving a decisive advance in agriculture in the coming years in order to adequately satisfy the growing needs of the country's population for food products and provide light industry with raw materials.

Between industry and agriculture, as well as between individual branches within industry and within agriculture, there is a close relationship. For this reason, for the uninterrupted development of production, correct proportions are necessary not only between industry and agriculture, but also between individual branches within industry, as well as between branches of agriculture. Thus, the long backwardness of livestock raising retards the further development of the light and food industries. In turn, the growth of animal husbandry is hampered by the lack of a sufficient fodder base and the backwardness of grain farming. The Soviet state eliminates this discrepancy by resolutely boosting animal husbandry, its fodder

base, and grain farming, so that the development of these branches is in line with the task of sharply increasing people's consumption.

The condition for the planned, uninterrupted satisfaction of the ever-increasing demand on the part of the working masses for agricultural products and industrial products is the correspondence between the growing money incomes of the population and the mass of personal consumption goods, taking into account the price level, the correct proportions between the growth in the production of consumer goods and the development of commodity circulation.

In order to meet the growing solvent demand of the population, the Soviet state adopted a broad program to increase the output of industrial and food products. So, in 1954 - 1956. the output of consumer goods will increase several times in comparison with 1950, in particular, woolen fabrics - 2 times, meat - 2.4 times, etc. In accordance with the planned program for increasing the production of consumer goods, retail trade turnover in 1955 in comparison with 1950 increases by 2 times.

The proportional development of the national economy requires the rational distribution of socialist production between the regions of the country: bringing industry closer to the sources of raw materials and areas of consumption, the comprehensive development of the economy of the regions, taking into account their characteristics, based on the correct combination of industries and the fullest use of local resources; economic and cultural upsurge of the national republics; reduction of irrational and long-distance transportation by rail and water transport.

Socialism eliminated the antagonistic contradiction inherent in capitalism between accumulation and consumption. In accordance with the requirement of the basic economic law of socialism, correct proportions between accumulation and consumption must ensure both the continuous growth of socialist production and the systematic rise in the material well-being and cultural level of the masses.

In the conditions of the transition from socialism to the highest phase of communism, such proportions of the development of the national economy are required that ensure the further strengthening and development of socialist production, the gradual creation of the material and production foundation of communism and an abundance of products.

Socialist society develops in the presence of aggressive imperialist powers hostile to it. Hence follows the need for such proportions in the national economy that provide the country of socialism with a powerful economic base in the event of an enemy attack from outside. The rapid growth of socialist industry and collective farm production is the most important condition for strengthening the economic independence and defense capability of the USSR.

The existence of a single, powerful socialist camp makes it necessary to coordinate the economies of all the countries of this camp in a planned way.

Economic cooperation and mutual assistance between the USSR and the countries of people's democracy facilitate the accomplishment of the tasks of socialist construction, lead to the strengthening of the economic independence of these countries from the capitalist world and to the strengthening of their defense capability.

The law of the planned development of the national economy and socialist planning.

The requirements of the law of the planned development of the national economy are being put into practice by the Communist Party and the socialist state through plans that organize and direct the creative activity of the working masses. Planned management of the national economy is the most important feature of the economic and organizational function of the socialist state. Socialist planning is built on a strictly scientific basis. To manage the national economy in a planned manner means to foresee. Scientific foresight is based on the

knowledge of objective economic laws and proceeds from the pressing needs of the development of the material life of society.

The condition for the correct planning of a socialist economy is, above all, the mastery of the law of planned development of the national economy and its skillful use.

The law of the planned development of the national economy must not be confused with the planned management of the national economy itself, carried out by the planning bodies of the socialist state, as well as with annual and five-year plans for the development of the national economy. The law of planned development of the national economy is an objective economic law. It enables state bodies to properly plan social production. But possibility must not be confused with reality. In order to turn this possibility into reality, one must learn to apply the law of planned development, one must draw up plans that fully reflect the requirements of this law.

In practice, plans do not always fully reflect the requirements of the law of the planned development of the national economy. When these requirements are violated, the law of the planned development of the national economy makes itself felt by the fact that disproportions arise in certain sectors of the national economy, and the normal process of production and circulation is disrupted. If, for example, the production of a certain number of cars is planned, but the required amount of sheet steel is not planned, then this may lead to failure to fulfill the plan for the production of cars. A pig iron smelting plan that is not supported by the corresponding production of coke will turn out to be unviable.

The task of the planning bodies is to correctly take into account the requirements of the law of planned development when drawing up plans and avoid disproportions, and in the event of disproportions, take timely measures to eliminate them. Material, financial and labor reserves are of great importance for the uninterrupted development of the national economy. The presence of reserves makes it possible to quickly eliminate the disproportions that arise in individual sectors

of the national economy, or prevent their occurrence, and provides the possibility of flexible maneuvering of resources.

Consequently, economic planning can give a positive result, ensure proportional development of the national economy and an uninterrupted rise in production, if it correctly reflects the requirements of the law of the planned development of the national economy and is consistent in everything with the requirements of the basic economic law of socialism.

The use of the economic law of distribution according to work is of great importance for the planned management of the economy since it creates a material interest for workers in raising labor productivity and is one of the engines of socialist production.

Socialist planning is based on the use of economic instruments associated with the operation of the law of value: price, money, trade, credit. In the national economic plans, the production and distribution of products have a monetary expression. The tool of planned management is economic accounting, which stimulates the economical conduct of production, the mobilization of internal reserves, the reduction of production costs and the increase in the profitability of the enterprise.

Proceeding from the requirements of the economic laws of socialism, comprehensively summarizing the practice of economic and cultural construction, and taking into account the totality of the internal and external conditions of life in the socialist country, the Communist Party and the socialist state set at each stage the most important economic and political tasks of state plans. In accordance with this, the volume of production, the rate of expansion of production in each branch of the national economy, the amount of capital investment, the level of wages, etc. are determined.

Planned management of the national economy of the Soviet Union is carried out on the basis of the directives of the Communist Party by the Council of Ministers of the USSR and the Councils of Ministers of

the Union republics. State plans are developed on the scale of the entire national economy as a whole, as well as by branches and individual departments, by republics, territories, regions, and economic regions of the country. The development of plans and control over their implementation are carried out by the State Planning Committee of the Council of Ministers of the USSR (Gosplan of the USSR), all-Union and republican ministries, as well as local Soviets, which have their own planning bodies.

Socialist planning is based on a combination of long-term plans, which express the main line of economic development for a number of years, and current plans, which are a concrete program of work for shorter periods. Long-term plans include five-year plans for the development of the national economy and plans for longer periods. Current plans include annual plans. Current plans are developed on the basis of long-term plans. Each state enterprise (factory, mine, state farm, MTS, etc.) has its own technical and production financial plan (tekhpromfinplan), which is compiled on the basis of state planning targets and is a summary plan for the production, technical and financial activities of the enterprise.

The planned development of the socialist economy requires a combination of the principles of centralized planned management of the economy according to the main indicators with the provision of the necessary independence and initiative in production planning to local bodies. The central planning bodies are faced with the most important economic problems: ensuring the correct proportions in the development of individual sectors, making full use of available reserves, achieving the highest efficiency of capital investments, etc.

Excessive centralization of planned management attempts to plan everything down to the smallest detail from the center, without sufficient knowledge and taking into account local conditions and possibilities, fetter the initiative of the localities, hinder the fullest use of local resources and the huge reserves available in various branches of the socialist economy, in various enterprises.

The state planned management of collective farms has its own peculiarities, arising from the nature of cooperative-collective farm property. The socialist state, in exercising planned management of the collective farms, relies on the initiative of the collective farm masses. The initiative of the collective farms and collective farmers is one of the decisive factors in the advancement of agriculture, in the full utilization of the economic and natural conditions of every district, of every collective farm. A correct planning system presupposes the establishment by the central planning bodies for the regions, territories and republics of the main and decisive indicators and tasks for agricultural production and for the delivery of agricultural products to the state. In accordance with these basic and decisive indicators and tasks, the local planning bodies, and collective farms themselves determine specific plans that ensure the best use of all production resources.

On the basis of state assignments, the collective farm boards develop annual production plans, which are submitted for consideration and approval by general meetings of collective farmers.

The stereotyped application of this or that farming system or agrotechnical method without taking into account the characteristics of each agricultural zone, the stereotyped approach to the distribution of crops and livestock prevent the best use of local natural and economic conditions.

Further improvement of the methods of socialist planning presupposes the consistent centralization of planning according to the main and decisive indicators, while at the same time strengthening the role and unleashing the initiative of local bodies, industrial enterprises, and collective farms in the planned management of production, ensuring a differentiated approach to planning in relation to each economic region, agricultural zone, every enterprise, collective farm.

Planned management of the national economy presupposes the allocation of leading links in the economy. The plan singles out the

most important sectors on which the successful fulfillment of the entire national economic plan depends. These industries are primarily provided with the means of production, labor, and financial resources. Other branches are planned in accordance with the leading branches in order to achieve on this basis the development of the entire national economy and the most rational combination of its individual branches.

The law of planned (proportional) development of the national economy requires strict coordination of plans for the development of individual sectors and their linking in a single economic plan. "All plans of individual branches of production," said V.I. Lenin, "should be strictly coordinated, linked, and together make up that single economic plan that we so need" [4] .

Economic plans include a certain range of indicators: natural (types of products, range of products, etc.) and monetary (the amount of output, cost, income, and expenses, etc.). Qualitative indicators are distinguished from the number of physical and monetary indicators (growth in labor productivity, cost reduction, profitability, improvement in product quality, efficiency in the use of means of production - equipment, machines, machine tools, raw materials, etc.). The main indicator of agricultural production is to obtain the maximum amount of products for every 100 hectares of agricultural land.

One of the most important methods of establishing the correct national economic proportions, corresponding to the requirements of the law of the planned development of the national economy, is the development of a system of balances. On the basis of balance sheets, the socialist state establishes proportions in the development of the national economy, expressed in natural and monetary form, determines resources and their distribution among individual branches of production and types of products. Comparison of resources with the need for them makes it possible to detect bottlenecks in the national economy, a discrepancy in the level and pace of development between individual sectors, and to outline

measures to overcome bottlenecks. At the same time, the system of balances makes it possible to unlock additional resources by saving raw materials and materials and by making better use of equipment. These resources are used to increase production and consumption. Balances are divided into material (in kind), balances expressed in monetary terms, and balances of labor force.

Material balances reveal the relationship between the production and consumption of a given product or group of products in their physical terms. Material balances are drawn up for the most important products, for example: balances of machine tools, ore, metal, cotton and other means of production, balances of personal consumption items: meat, sugar, butter, etc.

Material balances are necessary for drawing up plans for the material supply of means of production for all branches of the national economy by ministries and departments. These plans provide for the improvement of the use of equipment, raw materials, fuel, etc., on the basis of the introduction of progressive standards.

Balances expressed in monetary terms include the balance of cash income and expenditures of the population, the balance of national income and its distribution, and others.

The labor force balances determine the national economy's need for labor resources, skilled personnel, and the sources for covering this need.

Socialist planning, being a reflection of the requirements of the law of the planned development of the national economy, has a directive character. State plans are not plans-forecasts, but plans-directives, which are obligatory for the governing bodies and which determine the direction of the economic development of the whole country.

State plans, after they have been approved by the highest bodies of the socialist state, acquire the force of a legal law that must be carried out. Economic managers are obliged to ensure that each enterprise

fulfills the plan from month to month and quarter to quarter, not only in terms of gross output, but also in terms of assortment, to achieve a systematic improvement in the quality of output and to reduce the cost established by the plan.

Socialist planning has an active, mobilizing character. The socialist plans guide the labor of millions of people throughout the country, give the working masses a clear perspective, and inspire them to labor exploits. The plan is the living creative activity of the masses. The reality of production plans is millions of working people creating a new life.

Plan is only the beginning of planning. Calling the plan for the electrification of Russia (Goelro) the second program of the party, Lenin emphasized that "this program will be improved, developed, improved and modified every day, in every workshop, in every volost" [5]. Every plan is refined, modified, and improved on the basis of the experience of the masses, taking into account the course of the plan's implementation, since no plan can foresee in advance all the possibilities that lie hidden in the depths of the socialist system and which open up only in the process of work. In the struggle for the implementation of the plan at the factory, plant, state farm, collective farm, the creative initiative, and activity of the masses are manifested, socialist emulation develops, and new reserves are opened up for an accelerated economic advance. The task of mobilizing the masses is carried out under the leadership of the Communist Party by state and public organizations, trade unions, and the Komsomol. The active participation of the masses in the struggle to fulfill the plans for the development of the national economy leads to the fact that these plans are systematically overfulfilled, as a result of which the pace of building a communist society is accelerated.

Socialist plans can play a mobilizing role only if the planning bodies are guided by the new, progressive, which arises in the practice of communist construction, in the creativity of the masses. Plans must be calculated not on average arithmetic standards achieved in production, but on progressive standards for the expenditure of

labor, the use of equipment, the expenditure of raw materials, fuel, materials, i.e., standards that are equal to the experience of advanced enterprises and advanced workers.

The Communist Party and the Soviet state are waging a resolute struggle against attempts to draw up understated plans that mobilize no one, with an eye to bottlenecks, as well as against projections in planning that do not take into account the real possibilities for developing the socialist economy. Socialist planning requires an uncompromising struggle against anti-state parochial and departmental tendencies, expressed in attempts to oppose the interests of an individual enterprise, region, or department to the interests of the whole state.

One of the most important aspects of the planned management of the national economy is the verification of the fulfillment of the plan, which makes it possible to establish to what extent the plan correctly reflects the requirements of the law of the planned development of the national economy and how it is being carried out. It makes it possible to detect existing disproportions in a timely manner, to prevent the emergence of new disproportions in the economy, to discover new production reserves and to make the necessary adjustments to national economic plans.

To ensure planned management of the socialist economy, a unified system of national economic accounting is needed. Planned, socialist construction is unthinkable without proper accounting. And accounting is unthinkable without statistics. In a socialist economy, accounting and statistics are organically linked with the national economic plan. Statistical data on the fulfillment of the plan serve as necessary material in drawing up a plan for the next period of time. The socialist system of accounting and statistics makes it possible to monitor the progress of the plan as a whole and in its individual parts.

Advantages of a planned economy.

The planned development of the national economy gives socialist society enormous advantages over capitalism.

In contrast to capitalism, where proportionality is an accident and the economy develops cyclically, through periodically recurring crises, the socialist economy develops continuously, along an ascending line and at an unprecedentedly high rate on the basis of proportions established by the socialist state in accordance with the requirements of the law of the planned development of the national economy and the basic economic law. socialism. The socialist economy is free from economic crises that destroy the national economy, inflict colossal material damage on society and periodically set it back.

During the years of the pre-war five-year plans, that is, over a period of about 13 years, the Soviet Union made a leap that turned the country from backward to advanced, from agrarian to industrial. During this time, the capitalist world experienced two economic crises - 1929 - 1933. and 1937, accompanied by a huge destruction of the productive forces, a colossal increase in unemployment and a sharp increase in the impoverishment of the masses. In the post-war period, the socialist economy in the USSR has been systematically developing on the basis of a continuous rise in production, and the capitalist countries, and above all the United States, have experienced the crisis of 1948-1949 during these years. From the second half of 1953, a new decline in production and an increase in unemployment began in the USA.

A socialist planned economy eliminates unemployment and ensures the use of the entire labor force of society. The capitalist economy inevitably gives rise to unemployment, and the capitalists use it as a means to provide their enterprises with cheap labor.

A planned economy presupposes such a development of production that is aimed at satisfying the needs of the whole society. Capitalists

invest their capital in those branches of the economy where there is a higher rate of profit.

A socialist planned economy ensures the planned development of science and technology in accordance with the needs of the national economy. Under capitalism, the development of technology is subject to the law of competition and anarchy of production, proceeds extremely unevenly, and inevitably increases the disproportionality in the development of production.

A socialist planned economy not only saves society from the colossal waste of social labor inherent in capitalist economy, but also ensures the most economical and efficient use of all resources both within enterprises and on the scale of the entire national economy, opens up ever new sources and reserves for raising production.

The socialist state establishes production links between enterprises in a planned manner and implements the most rational distribution of socialist production.

In contrast to the private capitalist principle of profitability, which is subordinated to the interests of individual enterprises, the goal of obtaining maximum profit, the law of the planned development of the national economy and socialist planning provide the highest form of profitability, that is, profitability taken from the point of view of the entire national economy. Because of this, such grandiose scales of construction became possible under socialism, which are unthinkable under the conditions of a capitalist economy with its private property, anarchy of production and competition.

SUMMARY

1. The necessity and possibility of the planned development of the national economy stem from social, socialist ownership of the means of production. Planned (proportional) development of the national economy is the economic law of socialism.

2. The law of planned (proportional) development of the national economy is the regulator of the distribution of the means of production and labor power in the socialist economy in accordance with the basic economic law of socialism. It demands that the economy be conducted in a planned manner, that all elements of the national economy develop proportionally, that material, labor, and financial resources be used most reasonably and efficiently.

3. Socialist planning yields a positive result if it correctly reflects the requirements of the law of planned development of the national economy and conforms in every way to the requirements of the basic economic law of socialism. In the process of planned management of the national economy, economic instruments are used that are associated with the operation of the law of value. Of great importance in establishing the correct proportions for the development of the national economy is the balance method of planning.

4. Planned management of the national economy is the most important feature of the economic and organizational function of the socialist state. National economic plans are drawn up by state bodies on the basis of directives determined by the Communist Party, proceeding from a scientific generalization of the experience of socialist construction, from taking into account the advantages of the socialist economic system and the country's external and internal situation. State plans are guided by everything advanced that arises in the practice of communist construction, in the creativity of the masses, and are of a directive nature. The necessary conditions for the planned conduct of the national economy are the mobilization of the masses for the fulfillment and over fulfillment of plan targets and the organization of daily verification of the fulfillment of the plan.

5. Planned, crisis-free development of the national economy constitutes the greatest advantage of socialism over capitalism, assuring savings that are inaccessible to the bourgeois system and opening up full possibilities for a continuous, rapid, and all-round growth of production in the interests of the masses of the people.

- [1] F. Engels, *Anti-Dühring*, 1953, p. 269.
- [2] V. I. Lenin, Report on war and peace at the VII Congress of the RCP (b), *Works*, vol. 27, p. 68.
- [3] I. V. Stalin, *Economic problems of socialism in the USSR*, p. 41.
- [4] V. I. Lenin, Report on the activities of the Council of People's Commissars at the VIII All-Russian Congress of Soviets, *Works*, vol. 31, p. 480.
- [5] V. I. Lenin, Report on the activities of the Council of People's Commissars at the VIII All-Russian Congress of Soviets, *Works*, vol. 31, p. 483.

Public Labor Under Socialism

The nature of labor under socialism. The principle of material interest. The establishment of socialist production relations means a radical change in the nature of labor. Labor under socialism is labor free from exploitation. "For the first time after centuries of labor for strangers, forced labor for the exploiters, there is the possibility of working for oneself, and, moreover, work based on all the achievements of the latest technology and culture" [1] .

While forced labor under capitalism appears directly as private labour, under socialism labor has a directly social character. Public ownership of the means of production determines the possibility and necessity of the planned organization of labor on the scale of the whole society.

The position of the working person in society has changed radically. In contrast to capitalism, where a person's position is determined by social origin and wealth, a person's position in a socialist society is determined only by labor and personal abilities.

Emancipation from exploitation and a change in the position of the working person in society cause a revolution in people's views on work, give rise to a new attitude towards work. While the exploitative system for centuries has created in numerous generations of working people an aversion to work as a heavy and shameful burden, socialism turns labor into a matter of honor, valor, and heroism, and gives it an ever more creative character. In a socialist society, the working man, if he works well, takes the initiative in improving production, and is surrounded by honor and glory.

At the same time, work under socialism has not yet become the first vital need of the members of society, has not yet become a habit of working for the common good. At the stage of socialism, the survivals of capitalism in the minds of people have not yet been completely overcome. Along with the bulk of workers who honestly fulfill their duties to society and show creative initiative in their work, there are workers who treat their duties in bad faith and violate labor

discipline. Such people strive to give as little as possible to socialist society and to receive as much as possible from it.

Under socialism, significant remnants of the old division of labor still remain—the essential differences between mental and physical labor, between the labor of the worker and the peasant, between skilled and simple labor. These remnants of the old division of labor are being overcome only gradually, as the productive forces of socialism develop and the material and production foundation of communism is created.

All this means that under socialism the principle of the worker's material interest in the results of his labor, in the development of production, is of paramount importance. This interest is ensured by the fact that the position of the worker in society is made dependent on the results of labor, on the results of his production activity.

The principle of the material interest of each worker in the results of labor is one of the fundamental principles of socialist management. Lenin pointed out: "It is necessary to build any large branch of the national economy on personal interest" [2].

The principle of material interest finds the widest application in paying workers and employees, in distributing income on collective farms, in organizing cost accounting, in fixing prices for industrial and agricultural products, and so on.

All this determines the need for "the strictest control on the part of society and the state over the measure of labor and the measure of consumption" [3]. Socialist society controls the participation of people in labor, takes into account differences in the qualifications of workers, and determines labor standards and wages for each worker. Until labor has yet become a natural need for the overwhelming mass of members of society, the task of the socialist state is to organize social labor in such a way that those who work harder and better receive a greater share of the product of social labor.

Labor as a duty of members of a socialist society. Realization of the right to work.

Socialism and labor are inseparable. Socialism has done away with the blatant contradiction of the capitalist system, in which the exploiting elite of society leads a parasitic way of life, and the working masses bear the yoke of overwork, interrupted only by periods of forced idleness due to unemployment. By eliminating capitalist ownership of the means of production, socialism thereby abolished the conditions under which one class, the owners of the means of production, could live off the labor of another class of people deprived of the means of production. The establishment of public ownership of the means of production means an equal obligation for citizens to take part in social labor, since only personal labor is the source of people's livelihood under socialism. Work in the USSR is a duty and a matter of honor for every citizen capable of work.

The socialist system for the first time in the history of mankind realized not only an equal duty for all able-bodied citizens to work, but also an equal right for all citizens to work. Thus, under socialism, the age-old dream of the working masses has been realized. The right to work is due to the social ownership of the means of production, which gives all citizens the same access to work on public land, in public factories and plants. Right to work there is the right of every able-bodied member of society to receive a guaranteed job with remuneration in accordance with its quantity and quality. The right to work, enshrined in law in the Constitution of the USSR, is actually ensured by the socialist organization of the national economy, the steady growth of the productive forces of society, the elimination of the possibility of economic crises and the elimination of unemployment.

Unemployment - that scourge of the working people under capitalism - has been eliminated in the USSR once and for all, in connection with which the workers are not in danger at any moment of being thrown out of the gates of enterprises and losing all means of subsistence. The abolition of unemployment and the liquidation of the workers'

uncertainty about the future, the abolition of impoverishment and pauperism in the countryside were a great achievement for the Soviet people.

The realization of the right to work makes it possible to enormously increase the use of society's labor resources in the interests of developing production. The continuous rise in production under socialism makes the steady increase in the number of workers and office workers a logical one.

The number of workers and employees in the national economy of the USSR at the end of the year was: in 1928 - 10.8 million, in 1932 - 22.8 million, in 1937 - 27 million, in 1940 - 31.5 million , in 1953 - 44.8 million people.

The elimination of unemployment in the city, agrarian overpopulation and poverty in the countryside, the continuous growth of socialist production are fundamentally changing the conditions for providing enterprises with labor. If under capitalism the demand for labor is satisfied spontaneously, at the expense of the reserve army of the unemployed and agrarian overpopulation, then under socialism the supply of labor to enterprises occurs in a planned manner, through organized recruitment, organized training, and distribution of labor.

In contrast to capitalism, which turns the worker into an appendage to the machine and stifles the abilities of people, socialism creates the necessary conditions for the development and free manifestation of the abilities of the working people through the emancipation of labor from exploitation and the free access of all citizens to education.

The continuous advancement of socialist production on the basis of higher technology requires a steady rise in the cultural and technical level of the working people and an increase in the share of skilled workers in all branches of the national economy.

The growth of the cultural and technical level of the working people is ensured under socialism primarily by the development of public education. In the Soviet Union, universal compulsory seven-year education is being carried out and a transition is being made to universal compulsory secondary (ten-year) education. Specialized secondary and higher education have been widely developed. In connection with this, the cultural image of the working class and the peasantry is changing. Gone is illiteracy and darkness. An increasing proportion among workers and collective farmers is acquiring persons with a seven-year and secondary education.

The growth of the cultural and technical level of the working people also takes place through industrial and technical training, which includes both the training of new workers and the upgrading of skills on the job. To meet the demand for qualified personnel in the most important sectors of the national economy, the USSR has created a system of state labor reserves, which includes a network of vocational and railway schools and factory training schools. Students in these schools and colleges during the period of study are supported by the state. Along with the system of state labor reserves, an important source of replenishing the cadre of skilled workers is the mass production training of workers through individual-team and course training at enterprises, which involves millions of workers.

For thirteen years (from 1941 to 1953 inclusive) about 7 million young skilled workers of various professions were trained at state expense in trade and railway schools, schools of factory training. During the first three years of the Fifth Five-Year Plan, through individual-team and course production training at enterprises, an average of 2.5 million new skilled workers were trained annually and up to 3.5 million workers improved their skills. During the first three years of the Fifth Five-Year Plan, more than 2.5 million collective farmers annually attended agro-zootechnical courses with a three-year training period. The system of distance learning for workers and collective farmers is also widely developed.

Distribution according to work is the economic law of socialism.

The socialist mode of production also determines the corresponding form of distribution. Engels wrote, referring to a socialist society: "Distribution, insofar as it is governed by purely economic considerations, will be regulated by the interests of production, while the development of production is stimulated most of all by such a method of distribution that allows all members of society to develop, maintain and show their abilities as comprehensively as possible. » [4] Under socialism this requirement is best met by distribution according to work.

In the first phase of communism, the productive forces have not yet reached such a high level of development that provides an abundance of products necessary for distribution according to needs. In view of this, the only possible and necessary way of distributing material goods is distribution according to work. Providing the personal material interest of each worker in the results of his labor, distribution according to work is a powerful engine for the development of production. By stimulating an increase in labor productivity, distribution according to work at the same time contributes to an increase in the well-being of production workers.

Distribution according to work, by placing the share of each worker in the product of social labor in direct proportion to the degree of his participation in social production, links the personal interests of the worker with the general interests of the state.

The distribution according to work necessitates strict consideration of the difference between skilled and unskilled labor. Higher wages for skilled workers do justice to the qualifications of the worker and open up the prospect for unskilled workers to move up into the ranks of the skilled. This stimulates a rise in the cultural and technical level of the working people and leads to the gradual elimination of the essential difference between mental and physical labor.

Distribution according to work contributes to the elimination of labor turnover, the creation of permanent personnel, which is of great importance for improving the organization of labor in enterprises. Without a permanent staff of workers who have mastered technology and accumulated production experience, the successful development of socialist production is impossible.

Thus, distribution according to work is an objective necessity, an economic law of socialism.

The economic law of distribution according to work requires the distribution of products in direct proportion to the quantity and quality of labor of each worker, equal pay for equal work, regardless of sex, age, race, and nationality of citizens of a socialist society. The remuneration of labor both in industry and in agriculture is built on the basis of the requirements of this law.

The economic law of distribution according to work is carried out by the Communist Party and the Soviet state in a resolute struggle against the greedy tendencies of backward elements, against petty-bourgeois leveling, that is, equalizing wages for labor, regardless of its quantity and quality, the qualifications of workers, labor productivity. Equalization is an expression of the petty-bourgeois idea of socialism as a general equalization in the sphere of consumption, living conditions, tastes, and needs. It causes great damage to production, leads to staff turnover, a decrease in labor productivity, and failure to fulfill plans. Exposing the petty-bourgeois idea of socialism, Lenin clarified the Marxist understanding of equality. By equality, Marxism understands not the equality of physical and spiritual abilities, but social, economic equality. For socialism, this means the equal abolition of private ownership of the means of production and exploitation for all, equal access to work on the social means of production, an equal duty for all to work, and the same principle of pay for work for all.

Socialist labor cooperation.

Socialism marks a new, higher stage in the historical development of labor cooperation in comparison with previous formations. Socialist cooperation of labor is the cooperation of workers free from exploitation, bound together by relations of comradely cooperation and mutual assistance; it is based on the most advanced technology. Socialist co-operation creates an immeasurably more powerful productive force of labor than capitalist co-operation. The methods of raising the productive power of social labor inherent in co-operation—the use of the division of labor and machine technology, saving the means of production as a result of their joint use, etc.—are most developed under socialism.

In contrast to private ownership of the means of production, which limits the scale of labor cooperation, social ownership of the means of production broadens the boundaries of labor cooperation and makes it possible to use the joint labor of many people on a scale inaccessible to capitalism. This is expressed in a degree of concentration of production, unprecedented for capitalism, both in industry and in agriculture, in the implementation of major national economic measures.

Socialist cooperation is characterized by a new labor discipline fundamentally different from all previous formations. The capitalist organization of social labor rests on the discipline of hunger, and under capitalism the vast mass of working people remain ignorant and downtrodden by a mass of wage-slaves or peasants crushed by poverty, exploited by a handful of capitalists and landowners. Socialist labor discipline is the conscious, comradely discipline of the working people who are masters of their country. Under socialism, maintaining the necessary labor discipline is in the fundamental interests of the working masses. The education of the working people in the spirit of socialist labor discipline is one of the most important tasks of a socialist state.

Any joint work of many workers needs management, coordinating the actions of these workers, organizing the necessary production links between them. Socialist co-operation of labor presupposes the

firm and unswerving implementation of one-man command in all links of the production and administrative apparatus. One-man management is a method of managing state socialist enterprises, based on the subordination of the masses to the unified will of the leader of the labor process. It is combined with the broad creative initiative of the masses in the process of production.

With the abolition of capitalist exploitation, the despotism of management, which is inseparable from it, has also been eliminated, which means the omnipotence of capital, the arbitrariness of the entrepreneur and his administration, and the lack of rights of the working masses. In a socialist society, the heads of enterprises, trusts, main departments, and ministers are trusted people and servants of the people, of the socialist state. Under capitalism, the people treat economic managers—directors, managers, heads of shops, foremen—as enemies, since they run the economy in the interests of the capitalists, for the sake of their profits. Under socialism, economic leaders enjoy the confidence of the people, since they manage the economy not for the sake of the profits of the capitalists, but for the sake of the interests of the entire people.

The elimination of exploitation radically changes the relationship between people of mental and physical labor. The antagonism of interests characteristic of capitalism between the workers and the management personnel of enterprises has disappeared. Under socialism, manual laborers and the leading personnel of enterprises are members of a single production collective, vitally interested in the success and improvement of production. Hence - the creative community of workers of physical and mental labor, with the goal of continuous improvement of production.

While under capitalism the labor of workers is increasingly deprived of spiritual content and the gap between mental and physical labor is growing, in socialist society physical labor is increasingly enriched with spiritual content, physical and mental labor are drawing closer together, and the essential difference between them is gradually being abolished. This is expressed in the continuous rise in the cultural and

technical level of the working class and peasantry, in the development of socialist emulation, which is the most important feature of labor co-operation under socialism.

Socialist competition.

Socialist emulation is a method of raising the productivity of labor and improving production on the basis of the maximum activity of the working masses. Lenin pointed out that socialism for the first time creates the possibility of applying emulation on a really wide scale, on a mass scale, to embrace the millions of working people. Socialist emulation is aimed at the fulfillment and over fulfillment of national economic plans, at ensuring a continuous rise in socialist production.

Socialist competition is fundamentally different from the competition that prevails in bourgeois society.

“The principle of competition: the defeat and death of some, the victory and domination of others.

The principle of socialist emulation: comradely assistance to those who lag behind on the part of the advanced, in order to achieve a general upsurge.

Competition says: finish off the stragglers to assert your dominance.

Socialist emulation says: some work poorly, others do well, others do better - catch up with the best and achieve a general upsurge.

Socialist emulation expresses the comradely cooperation of the working people, their joint struggle for a general rise in production.

Instead of such driving forces of production as the pursuit of profit and competition, socialism has given rise to new, incomparably more powerful driving forces. First of all, this is the deep interest of the masses in the development of social production, which follows from the basic economic law of socialism. The fact that under socialism

people work not for the exploiters, but for themselves, for their own society, is an inexhaustible source of growth in socialist production. Distribution according to work plays an important role in the development of socialist emulation. By making the wages of the worker dependent on the quantity and quality of his labor, wages according to work stimulate the creative initiative of the masses in the process of production.

A characteristic feature of the competition is the creative initiative of innovators and leaders in production, who have mastered advanced technology to perfection, discarding old, obsolete norms and methods of work and putting forward new ones. Many workers not only mastered the technical minimum, but also became on a par with the technical staff. In the struggle against everything old and obsolete, advanced people are blazing new paths for the development of production, opening up new reserves for increasing labor productivity.

The creative initiative of the working people does not allow production to stagnate, to get stuck in place, it is the source of its constant movement and improvement. The advanced methods of work used by innovators are based on fundamental improvements in the organization of labor (division of labor, combination of professions, etc.), organization of production (work on schedule), production technologies and techniques (intensification of technological processes, improvement of tools, fixtures, machine tools, etc.). The leaders of agriculture are using new methods of agricultural technology and animal husbandry, which increase the yield of agricultural crops and the productivity of animal husbandry.

Socialist emulation presupposes the rapid and wide dissemination of advanced experience. Under socialism, for the first time, the force of example exerts a mass effect, serving as a means of continuously advancing and improving production. This is achieved, firstly, as a result of active comradesly assistance on the part of innovators to all production workers in mastering advanced labor methods, which takes various forms (personal instruction, patronage of cadre workers

over newcomers, schools of advanced workers and production innovators, etc.), in secondly, as a result of the desire of the masses of working people to catch up with advanced people, to master their experience in order to achieve a general upsurge; thirdly, due to ensuring wide publicity of the competition, comparability of the results of the work of enterprises. Based on the best practices of production innovators, state economic bodies determine progressive norms for the expenditure of labor and the use of the means of production, which form the basis of production plans. The dissemination of advanced experience and the assimilation of new norms and methods of work by the majority of the working people ensure the attainment of a new, higher level of labor productivity.

The Communist Party and the Soviet state lead the socialist competition of the masses and give it all possible support. For success in work, the working people not only receive material incentives, but are also awarded orders and medals, and for outstanding innovative activity they are awarded the title of Hero of Socialist Labor and are awarded Stalin Prizes.

Socialist emulation in the USSR acquired a nationwide character. The most massive and effective form of competition in enterprises is individual and team competition. Along with this, competition develops between shops, enterprises, collective farms, MTS, state farms, between districts, regions, and republics. Competition for high product quality, for the best use of production capacities, for lowering production costs, for above-plan savings in material and monetary resources, for high crop yields and livestock productivity has become widespread. In 1953, more than 90% of all workers took part in the socialist competition in industry. The number of inventions, technical improvements and rationalization proposals introduced in 1953 in industry, construction and transport amounted to over 850 thousand.

Socialist emulation in town and country is of paramount importance for the development of the socialist economy and for building the foundations for communism.

The steady growth of labor productivity is the economic law of socialism.

A steady increase in labor productivity is the most important condition for building socialism. Lenin wrote: "The productivity of labor is, in the last analysis, the most important thing, the most important thing for the victory of the new social system. Capitalism has created labor productivity unprecedented under serfdom. Capitalism can be finally defeated and will be finally defeated by the fact that socialism creates a new, much higher productivity of labor" [6] .

As is well known, labor productivity is measured by the amount of output produced by a worker per unit of time, or by the amount of labor time spent per unit of output. An increase in labor productivity is expressed in the fact that the share of living labor in the product decreases, while the share of past labor increases relatively, while the total amount of labor per unit of output decreases. The growth of labor productivity means an increase in output per unit of working time.

From the social point of view, the productivity of labor increases with its economy, including the economy of both living and materialized labor on the scale of the whole society. Marx points out that the real economy consists in the saving of labor time, and this saving is identical with the development of the productive power of labor. Socialism eliminates the enormous waste of labor inherent in the anarchic system of capitalism and ensures the planned and most rational use of the means of production and the labor resources of society. The working people of the USSR are interested in the maximum economy of the means of production, which finds expression in the mass movement for the economy of raw materials, fuel, materials, for the best use of machinery and equipment.

The need for a systematic and rapid increase in labor productivity is determined by the basic economic law of socialism. The continuous growth of socialist production takes place, firstly, by raising the

productivity of labor of each individual worker (an increase in output). In the period from 1940 to 1953, approximately 70% of the increase in industrial output was obtained from this source. The continuous growth of socialist production occurs, secondly, by increasing the total number of employed workers, as well as by improving the use of labor (living and materialized) within the framework of the whole society. For the growth of the productivity of social labor, an increase in the proportion of workers employed in material production is of great importance.

The systematic increase in labor productivity, while ensuring a rapid growth in output, creates the opportunity both for the growth of consumption and for the expansion of production.

The growth of labor productivity is the most important condition for the further development of the national economy, for achieving a sharp rise in the production of consumer goods and for the most complete satisfaction of the growing needs of the people. In order to win the economic competition with the developed capitalist countries, it is necessary to steadily increase labor productivity. "All of us, Soviet people, all of our people, must be well aware that the main, decisive condition for the further upsurge and all-round development of the national economy is the all-round increase in labor productivity in all sectors - in industry, in transport, in agriculture. We all must know that without a serious and continuous increase in labor productivity, it is impossible to successfully achieve a significant and rapid increase in the well-being of the Soviet people.[7].

Due to the contradictions inherent in capitalism, the growth of labor productivity in bourgeois society is slow and unstable. Marx pointed out that "for capital, the law of the increasing productivity of labor has no absolute significance" [8] . Together with the liquidation of private capitalist property, all the barriers that stand in the way of the growth of labor productivity are destroyed. Under socialism, the economic law of steady growth in labor productivity exists and operates.

Socialism opens up ways and methods for raising labor productivity that are inaccessible to capitalism.

Under socialism, the growth of labor productivity is ensured primarily through the systematic development and consistent use of advanced technology, which facilitates the work of people, while under capitalism labor productivity is achieved primarily through excessive intensification of labor, exhausting the worker. The necessary conditions for the growth of labor productivity are: constant improvement of technology, mechanization, electrification of production, every possible improvement in the use of available equipment, and a consistent struggle against anti-mechanization tendencies.

A powerful factor in the growth of labor productivity is the continuous rise in the material well-being of the working people, the improvement of their skills and cultural and technical level.

Enormous opportunities for the growth of labor productivity are offered by the socialist organization of labor based on conscious discipline and comradely cooperation of workers, as well as wages depending on its quantity and quality. The further improvement of pay according to work, the strengthening of socialist discipline and order in production, and the increase in the proportion of workers employed directly in material production are a major reserve for the growth of labor productivity.

The driving force behind the growth of labor productivity under socialism is the development of the creative initiative of the workers in the matter of improving technology and the organization of production, which finds expression in socialist emulation. Of great importance for the growth of the productivity of social labor is the study and dissemination of advanced experience accumulated by innovators in production.

The socialist economic system necessitates and creates the possibility of a steady increase in labor productivity.

During the years of the first five-year plan, labor productivity in the industry of the USSR increased by 41%, and during the years of the second five-year plan, by 82%. The average annual increase in labor productivity in the first five-year period was 9%, and in the second five-year period it was 12.7%. Capitalist industry did not know such rates of growth in labor productivity. In 1940, labor productivity in the industry of the USSR increased 4 times, and taking into account the reduction of the working day - 5.2 times compared with the level of 1913. In the postwar period, further technical re-equipment of the national economy, advanced training and creative initiative of workers and engineering and technical personnel led to a new increase in labor productivity. Labor productivity increased in 1953 compared to 1940 in industry by 71%, in construction by 50%.

Over the past 25 years (1928-1953) labor productivity has grown approximately 6 times in industry, and 3.5 times in construction and railway transport. Labor productivity in collective farms and state farms exceeds labor productivity in pre-revolutionary agriculture by about 3 times. However, from the point of view of solving the problems of maximizing the satisfaction of the growing needs of the people and successful economic competition with the advanced capitalist countries, the level of labor productivity achieved in the USSR is insufficient. The Communist Party is mobilizing the working people to fight for a powerful new rise in labor productivity.

The steady growth of labor productivity, which ensures the creation of an abundance of consumer goods, is a necessary prerequisite for the transition from socialism to communism.

SUMMARY

1. Socialism freed the working people from exploitation and replaced forced labor with exploiters by free labor for itself, for the whole of society. Labor under socialism has a creative character and is systematically organized on the scale of society. But work under socialism has not yet become the first vital need of people and needs material incentives. Socialist society exercises the strictest control over the measure of labor and the measure of remuneration of each worker.

2. Work in the USSR is a duty and a matter of honor for every member of society capable of working. Unemployment has been abolished in the socialist system of the national economy, and the right to work has been realized for all members of society. The continuous growth of production under socialism is accompanied by a steady increase in the number of employed workers and an increase in their cultural and technical level.

3. One of the fundamental principles of socialist economic management is the principle of the material interest of each worker in the results of his labor. Under socialism, the economic law of distribution according to work operates, requiring the distribution of material goods in direct proportion to the quantity and quality of labor.

4. Socialist co-operation of labor is the co-operation of workers free from exploitation, bound by relations of comradely co-operation. It is based on higher technology and is characterized by conscious discipline and a new type of management that combines one-man command with a broad development of activity and self-activity of the masses. The most important feature of socialist cooperation is socialist emulation. Socialist emulation is the driving force behind the development of the socialist economy.

5. Socialism creates a higher productivity of social labor compared to capitalism. The growth of labor productivity is a decisive condition for the continuous advance of socialist production and the well-being of the people. The steady growth of labor productivity is the economic law of the development of socialist society.

[1] V. I. Lenin, *How to organize a competition?*, Works, vol. 26, p. 363.

[2] V. I. Lenin, *The New Economic Policy and the Tasks of the Political Enlightenment*, Works, vol. 33, p. 47.

[3] V. I. Lenin, *State and Revolution*, Works, vol. 25, p. 441.

[4] F. Engels, *Anti-Dühring*, 1953, p. 188.

- [5] I. V. Stalin, Competition and labor upsurge of the masses, Works, vol. 12, p. 110.
- [6] V. I. Lenin, The Great Initiative, Works, vol. 29, p. 394.
- [7] G. M. Malenkov, Speech at a meeting of voters of the Leningrad electoral district of the city of Moscow on March 12, 1954, p. 7.
- [8] K. Marx, Capital, vol. III, 1953, p. 273.

Commodity production, the law of value and money under socialism

The necessity of commodity production under socialism and its features.

The necessity of commodity production under socialism stems from the existence of two main forms of socialist production—state and collective farm. In state enterprises, the means of production and products are the property of the whole people. On the collective farms, the means of production (working and productive livestock, agricultural implements, outbuildings, etc.) and the products produced by the collective farms constitute group, cooperative-collective-farm property. The main and decisive means of agricultural production (land and MTS machines) are in the ownership of the state. Since the output of state enterprises belongs to the socialist state, while collective-farm output belongs to the collective farms, exchange through purchase and sale is a necessary form of economic connection between industry and agriculture.

Lenin pointed out that “the exchange of products of large-scale (“socialized”) industry for peasant products is the economic essence of socialism” [1] , that barter is a test of the correct relationship between industry and agriculture. These propositions of Lenin retain their significance for the entire first phase of communism. The Soviet state acquires food for the urban population and raw materials for industry mainly from collective farms and collective farmers, through procurement and purchases. In turn, the collective farms and collective farmers can obtain the money they need to purchase industrial output only by selling their marketable output to the state, through co-operatives and on the collective farm market.

Thus, agricultural products and raw materials coming from the collective-farm sector to the state and cooperatives in the form of procurement and purchases, as well as agricultural products sold on collective-farm markets, are commodities. Commodities are also industrial products, mainly articles of personal consumption,

produced by state enterprises, and bought by collective farms and collective farmers. Since personal consumption items are commodities, they also come to the urban population through purchase and sale.

Commodity production under socialism is not ordinary commodity production, but commodity production of a special kind. This is commodity production without private ownership of the means of production, without capitalists. It is mainly carried out by united socialist producers (the state, collective farms, cooperatives). Owing to such decisive economic conditions as social ownership of the means of production, the abolition of the system of hired labor and the exploitation of man by man, commodity production under socialism has been placed within certain limits. In view of this, it cannot be transformed into capitalist production and serves socialist society.

Commodity production in socialist society does not have such an unlimited and all-embracing distribution as under capitalism. Under socialism, the sphere of commodity production and commodity circulation is limited mainly to articles of personal consumption. In a socialist society, labor power is not a commodity. The land with its subsoil is state property and cannot be the subject of sale or lease. State enterprises - plants, factories, mines, power plants with their main production assets (tools of production, buildings, structures, etc.) - cannot be sold and bought, but can be transferred from one state organization to another only with special permission and, therefore, they are not goods, the object of sale and purchase.

The means of production produced in the state sector - machinery, machine tools, metal, coal, oil, etc. - are distributed among state enterprises. The national economic plans provide for the allocation to each enterprise of certain material resources in accordance with its production program. These funds are supplied by enterprises-producers to enterprises-consumers on the basis of contracts concluded between them. When the means of production are transferred to one enterprise or another, the socialist state retains full

and complete ownership of these means of production. The directors of enterprises who have received the means of production from the socialist state by no means become their owners, but are authorized by the state to use the means of production in accordance with state plans. Collective farms buy motor vehicles, equipment for their public economy, the simplest agricultural machines and implements. But the main agricultural machines—tractors, combines, etc.—are not sold to collective farms, but are concentrated in state enterprises—machine and tractor stations, which serve the collective farms with the help of these means of production. The means of production distributed within the country among state enterprises are essentially not commodities. But they retain the form of goods, have a monetary value, which is necessary for accounting, for calculation. In the field of foreign trade, the means of production sold to foreign countries are commodities. Here there is a purchase and sale, there is a change of ownership of goods.

Use value and value of goods in the socialist economy.

Those products that are produced and sold as commodities in a socialist society have a use value created by concrete labor and a value created by abstract labor. In other words, under socialism the commodity has a dual character, determined by the dual character of the labor that produces the commodity.

The dual character of labor under socialism is fundamentally different from the dual character of labor in a simple commodity and capitalist economy. Under conditions of commodity production based on private property, the dual nature of the labor that produces the commodity reflects the contradiction between private and social labor. Socialist economy does not know this contradiction. As has already been said, in the socialist economy labor is not private, but directly social labor. Society plans in advance the work of workers in the production process. The distribution of labor between the various branches of the national economy and individual enterprises is proceeding according to plan. Because of this, commodity fetishism has been overcome in the socialist economy, and the social relations

of people do not accept the deceptive semblance of relations between things.

However, under socialism there are differences between directly social labor in state enterprises, where labor is socialized on a national scale, and directly social labor in collective farms, where labor is socialized only within the framework of a given agricultural artel. In addition, collective farmers also use their labor in their personal subsidiary plots, which are of subordinate importance. These differences in the degree of socialization of labor, the existence of commodity ties between state industry and the collective farms, make it impossible to express and compare the social labor expended on the production of industrial and collective farm products directly in terms of working time. This implies the need for an indirect commensuration of social labor through the use of value and its forms.

The socialist state, in the process of planned management of the national economy, takes into account both sides of the commodity, both use-value and value. The state requires its enterprises to produce certain types of products - certain use values. If the capitalist is interested in use value only as a carrier of value and surplus value, then in the socialist economy the creation of use values and the improvement of the quality of products are of the utmost importance since production is carried out in the interests of the most complete satisfaction of the growing needs of the whole of society.

In a socialist economy, the value of a commodity is also essential. The state plans production not only in kind, but also in monetary terms. At the same time, a systematic reduction in the cost of manufactured goods and, on this basis, a reduction in prices plays an important role in ensuring the maximum satisfaction of the needs of society.

In the socialist economy there is no antagonistic contradiction between use value and value, which conceals the possibility of crises of overproduction. The socialist economy ensures the full possibility of fulfilling production plans both in monetary and in-kind terms.

However, in the practice of socialist construction, when the requirements of economic laws and, in particular, the law of the planned development of the national economy are violated, contradictions may arise between the use value and the value of the commodity. This happens, for example, in cases where the managers of individual enterprises, in pursuit of fulfilling the cost plan, intensively produce individual types of products that are more profitable for the enterprise, without fulfilling the production plan for the entire assortment. But such contradictions are not of an antagonistic nature and are resolved in the manner of planned management of the economy.

In the socialist economy there is a distinction between complex (skilled) and simple labor, and complex labor is reduced to simple labor. The ratio between complex and simple labor is taken into account when planning production, determining production standards, as well as when planning wages, when wages of various qualifications are established, etc.

The magnitude of the value of commodities produced and sold in the socialist economy is determined by the amount of socially necessary labor time spent on their production. By socially necessary labor time is meant the average labor time expended by enterprises producing the bulk of the output of a given branch. The socially necessary labor time spent on the production of a unit of a commodity determines the social value of the commodity. The time actually spent on the production of a unit of commodity in individual enterprises is individual labor time, which forms the individual value of the commodity for each of these enterprises.

The socially necessary time spent on the production of a commodity is an objectively existing quantity. Under capitalism, the socially necessary time is formed spontaneously, behind the backs of commodity producers. In the socialist economy, proceeding from the objective economic conditions and the requirements of the economic laws of socialism, the state plans the growth of labor productivity and

the reduction of the cost of production, establishes norms for the expenditure of labor and materials for enterprises; thus, in a planned manner, it affects the amount of socially necessary time spent on the production of goods, in the direction of its reduction.

An important means of the planned influence of the socialist state on the amount of socially necessary time is the progressive norms for the expenditure of labor and materials, established on the basis of the experience of advanced enterprises. Progressive norms are norms that still have to be achieved in production over a planned period of time. They are below the actual level of labor and material costs per unit of output. Progressive norms are of great mobilizing significance, as they encourage economic managers and the masses of working people to find ways to rationalize production, introduce advanced technology, increase labor productivity, and reduce production costs. After progressive norms have been mastered by the majority of enterprises that produce the largest mass of products, they begin to coincide with socially necessary expenditures of labor and cease to be progressive. On the other hand, during this time, advanced enterprises are achieving a new reduction in labor costs for production. On the basis of the experience of advanced enterprises, new progressive labor expenditure standards are established, the implementation of which leads to a new reduction in socially necessary time.

Under capitalism, the contradiction between individual and socially necessary labor time is antagonistic. Enterprises that use higher technology and make super profits keep their technical improvements secret and beat competitors, bringing them to ruin and death. In a socialist economy, the contradiction between socially necessary time and individual time spent in individual enterprises is not of an antagonistic nature. The socialist economy does not know the so-called "commercial secret": the technical achievements of advanced enterprises quickly become the property of all enterprises in a given branch, as a result of which the development of the entire socialist economy as a whole is ensured.

The nature of the operation of the law of value under socialism.

Insofar as commodity production and commodity circulation exist under socialism, the law of value continues to operate.

The economic system of socialism places the operation of the law of value within strictly limited limits. The role of the law of value is limited by the socialization of the means of production in town and countryside, by the narrowing of the sphere of commodity production and commodity circulation, by the operation of the economic laws of socialism and, above all, by the law of the planned development of the national economy. The scope of the law of value under socialism is also limited to annual and five-year plans and, in general, to the entire economic activity of the socialist state. Because of this, the law of value under socialism cannot play the role of a regulator of production.

If the law of value were to play the role of a regulator of production under socialism, then in a socialist society the most profitable branches and enterprises would develop in the first place, and enterprises of heavy industry, which are very important from the point of view of the interests of the national economy, and which may be temporarily unprofitable, would be closed down. Meanwhile, in the USSR, unprofitable or at first unprofitable enterprises that are essential for the national economy are by no means closed down, but are preserved and supported, and measures are being taken to make them profitable. The socialist state can cover the temporary unprofitability of some branches or enterprises at the expense of income received by other branches and enterprises.

The socialist state builds enterprises and creates entire branches of production guided not by the pursuit of profit, but by the requirements of the basic economic law of socialism and the law of the planned development of the national economy.

The scope of the law of value under socialism extends primarily to commodity circulation, to the exchange of commodities—mainly

articles of personal consumption. In this area, the law of value retains its role as a regulator within certain limited limits.

The regulating effect of the law of value in the field of commodity circulation is manifested in the fact that the state, in establishing a certain price ratio between various personal consumption goods, takes into account their value in monetary terms, as well as the demand for these goods and their supply. Ignoring the state of supply and demand would lead to a sharp decline in demand for goods for which prices were excessively high, and for goods with excessively low prices, demand would be artificially inflated. The regulating role of the law of value is most pronounced in the collective-farm market, where prices are formed on the basis of supply and demand, and the movement of prices affects the size and structure of the turnover of the collective-farm market. But the socialist state exerts an enormous economic influence on the collective-farm market, inasmuch as the bulk of goods are sold in the system of state and cooperative trade at fixed planned prices.

The operation of the law of value is not limited to the sphere of commodity circulation. The law of value also has an effect on socialist production, and this effect is not decisive.

“The fact is that the consumer products necessary to cover the expenditure of labor power in the production process are produced in our country and sold as commodities subject to the operation of the law of value. It is precisely here that the influence of the law of value on production is revealed. In this regard, such questions as the question of economic accounting and profitability, the question of cost, the question of prices, etc. are of current importance at our enterprises. Therefore, our enterprises cannot and must not do without taking into account the law of value” [2] .

Articles of personal consumption, which are commodities, have a value. The value of industrial consumer goods includes the value of raw materials produced by the collective farms as a commodity. Part of the newly created value of consumer goods is used to reimburse

the cost of money wages, and the other part forms the income of the enterprise, which is in the form of money. Along with this, in the process of production of industrial consumer goods, means of labor wear out: machine tools, machines, factory buildings that are not goods. Inasmuch as all other elements included in the value of industrial consumer goods have a monetary form, the means of labor must also be calculated in money.

The impact of the law of value on the production of means of production is carried out through consumer goods, which are necessary to compensate for the cost of labor. Consumer products, being commodities, can be bought by workers only with money, at the expense of money wages. From this follows the need to use the monetary form in the production of means of production to account for all other elements that, along with wages, form the cost of industrial output.

If consumer products, which are commodities, have a value, then the means of production, which are not commodities, have the form of a commodity and value used for the purposes of calculation, accounting, and control.

In contrast to capitalism, where the law of value acts as an elemental force dominating people, in the socialist economy the operation of the law of value is recognized, taken into account and used by the state in the practice of planning the national economy. Knowledge of the operation of the law of value and the ability to use it help business executives rationally manage production, systematically improve working methods, carry out economic accounting, find and use hidden reserves to increase output.

The socialist state takes the law of value into account when planning prices. Price in the socialist economy is the monetary expression of the value of a commodity, which is established in a planned manner. When planning prices for means of production produced in the public sector, only the form of value is used to account for the social labor expended on their production in money. In setting prices, the state

proceeds from the social costs of production, which in the industries that produce goods represent the value of these goods.

The question of an economically justified approach to price planning is of great importance for the development of the national economy. "In the problem of prices, all the main economic and, consequently, political problems of the Soviet state intersect. Questions of establishing correct relations between the peasantry and the working class, questions of ensuring the mutually connected and mutually conditioned development of agriculture and industry ... questions of ensuring real wages, strengthening the chervonets ... all this rests on the problem of prices" [3] .

Accounting for the operation of the law of value is necessary to establish the correct ratio of prices for various goods and material incentives for their production. It is impossible, for example, to establish the same procurement price for a ton of cotton and a ton of grain, regardless of the fact that the cost of cotton is much higher than the cost of grain. On the other hand, grain prices must not be set too low, as this would undermine the material interest of the collective farms and collective farmers in grain production and would be detrimental to the development of grain farming.

Thus, for example, economically justified procurement prices set for cotton, wool, beets, and other agricultural products contributed to an increase in the production of these products. On the contrary, low procurement and purchase prices for potatoes, vegetables, milk, meat, and grain hampered their production. A significant increase in procurement and purchase prices for these products, carried out in 1953 by a decree of the Council of Ministers of the USSR and the Central Committee of the CPSU, was a very important incentive to increase their production.

However, the law of value is not a regulator of state prices, but only one of the factors affecting these prices. There is no "free play" of prices in state and cooperative trade. The socialist state fixes the prices of commodities with various deviations from the social costs of

production, from the value of commodities. In doing so, it proceeds primarily from the requirements of the basic economic law of socialism, the need to ensure the continuous growth of production on the basis of higher technology and to satisfy the growing needs of the whole of society. The state uses the price mechanism to establish such proportions in the distribution of funds between sectors, which are determined by the needs of the planned development of the national economy.

Thus, for example, the state, with the help of an appropriate price policy, uses part of the revenues created in some branches to quickly develop other branches that are less profitable, but are of great economic importance. By setting low prices for the means of production, the state encourages the introduction of advanced technology in state-owned industrial enterprises, and also equips collective farm production with high technology through the MTS. The state sets prices based on the need to ensure a certain profitability (profitability) of enterprises, takes into account the quantity of certain goods, their importance in the economy. With the help of prices, it stimulates the production of certain products, regulates the demand for them.

By virtue of all these limitations of the law of value, its operation under socialism is not accompanied by those destructive consequences in the form of crises, unemployment, and the destruction of productive forces, which are inevitable companions of this law under capitalism. It is precisely because of this that, despite the continuous and rapid growth of socialist production, the law of value does not lead to crises of overproduction in the USSR, while under capitalism the law of value, despite the low rates of growth of production in the capitalist countries, leads to periodic crises of overproduction.

Money and their functions in the socialist economy.

Insofar as commodity production and commodity circulation exist in a socialist society, money is indispensable. "Even before the socialist

revolution, the socialists wrote that money cannot be abolished right away ... A lot of technical and much more difficult and much more important, organizational gains are needed to destroy money." "In order to destroy them, it is necessary to organize the distribution of products for hundreds of millions of people - a matter of many years" [4] .

Money belongs to those economic categories which, while retaining their old form, radically change their nature in relation to the needs of the development of the socialist economy. In contrast to capitalism, where money is converted into capital and is a means of appropriating someone else's unpaid labor, in a socialist economy money serves as an instrument of economic construction in the interests of the masses, an economic instrument for planning the national economy, a means of recording and controlling the production and circulation of goods.

In the socialist economy, the content and purpose of the functions of money are radically changed in comparison with the functions of money under capitalism.

Money primarily serves as a measure of the value of commodities, that is, it serves as a measure of the social labor embodied in them. Since the means of production, while not being commodities, retain the form of a commodity and value, money in its function as a measure of value also serves as a means of accounting for the social labor expended on the means of production. Under socialism, in the presence of two main forms of socialist production, the results of the economic activity of an enterprise, the comparison of the results of the work of enterprises and branches producing various products, the volume of output of branches of the national economy and the entire national economy as a whole can only be expressed in monetary terms. As is known, the function of a measure of value can only be performed by a monetary commodity, which itself has a value. Gold is such a commodity. In the Soviet Union, as in other countries of the socialist camp, money has a gold content and is a measure of value.

Based on the fact that gold acts as a universal equivalent, the Soviet state during the monetary reform of 1922-1924. established the gold content of the ruble. Subsequently, the gold content of the ruble was fixed indirectly, through the establishment of the exchange rate of the Soviet ruble, first in francs, then in dollars. In 1950, in connection with the growth in the purchasing power of the ruble and the decline in the purchasing power of the dollar and other capitalist currencies, the Soviet state directly set the gold content of the ruble at 0.222168 grams of gold. Accordingly, with the gold content of the ruble, the exchange rate of the ruble against foreign currencies was increased.

Whereas under capitalism the function of the measure of value, i.e., accounting for social labor, is carried out behind the backs of commodity producers by means of spontaneous fluctuations in market prices, in the socialist economy money, in its function of the measure of value, is systematically used by the state as a means of accounting, calculation, for determining the profitability and unprofitability of enterprises and etc.

The Soviet state uses monetary accounting as a means of planned management and control over the course of production. So, for example, a comparison of the planned and actual cost of production allows you to find out the reasons for the excess of the actual cost over the planned one and outline the measures necessary to reduce the cost and increase the profitability of the enterprise.

As a measure of value, money is used by the socialist state in price planning.

Money in the socialist economy is also the standard for prices. In the Soviet Union, the ruble serves as the standard for prices.

Money under socialism performs the function of a means of circulation of goods. As a means of circulation, money functions when the population buys goods for personal consumption and when collective farms and collective farmers sell their products. Money in

its function as a means of circulation is used to expand commodity circulation.

Money in the socialist economy performs the function of a means of payment. As a means of payment, money functions in the payment of wages to workers and employees, in the receipt and repayment of loans by socialist enterprises, in the payment of taxes, etc. The socialist state uses money in its function as a means of payment to control the activities of socialist enterprises. So, for example, funds are released by the bank to enterprises, depending on the fulfillment of the production plan by them. By requiring timely repayment of loans, the bank stimulates the implementation of the plan by the enterprise, since without this it will not be able to accumulate the funds necessary to repay the loan, etc.

Money under socialism performs the function of a means of socialist accumulation and savings. State enterprises and collective farms keep money in banks. Cash incomes and temporarily free funds of enterprises and organizations are used for the needs of socialist accumulation, for the expansion of production, the formation of reserves, and for servicing the material and cultural needs of the population. As a result of the improvement in the well-being of workers, their monetary savings increase. These savings are kept in savings banks.

In a socialist society, gold appears in the functions of treasure and world money. The gold reserve is mainly the state reserve fund of world money. Gold is a means of international settlements of the state in the field of foreign trade.

The stability of Soviet money is ensured not only by the gold reserves, but above all by the huge amount of goods concentrated in the hands of the state and put into trade at fixed planned prices. In no other capitalist country does money have such a reliable backing as in the Soviet country.

SUMMARY

1 . The necessity of commodity production under socialism is due to the presence of two main forms of socialist production: state and collective farm. Commodity production and commodity circulation are limited mainly to articles of personal consumption. Commodity production in socialist society is commodity production of a special kind, without private ownership of the means of production, without capitalists. It serves the socialist society.

2. A commodity in a socialist economy has a use value created by concrete labor and a value created by abstract labor. Socialist society knows no contradiction between private and social labor. Socialist labor has a directly social character. In the socialist economy, the creation of use values and the improvement of the quality of products are of the greatest importance. At the same time, there is a systematic reduction in the cost of goods on the basis of a systematic reduction in the socially necessary time spent on their production.

3. The scope of the law of value under socialism is limited. The law of value is not the regulator of production, but it influences production through the consumer goods needed to meet the costs of labor in the production process. The law of value is used in the process of planned management of the national economy. The actions of the law of value are taken into account when planning prices.

4. Money in the socialist economy serves as an economic instrument which is used in the planning of the national economy and is used as an instrument for recording and controlling the production and circulation of commodities. Money performs the following functions: measures of value, means of circulation, means of payment, means of socialist accumulation and savings. Soviet money is backed not only by gold reserves, but above all by the mass of goods concentrated in the hands of the state and sold at state planned prices.

[1] V. I. Lenin, Plan of the pamphlet "On the food tax", Works, vol. 32, p. 300.

[2] I. V. Stalin, Economic problems of socialism in the USSR, p. 20.

[3] Resolution of the February Plenum of the Central Committee of the All-Union Communist Party of Bolsheviks of 1927, "The CPSU in resolutions and decisions of congresses, conferences and plenums of the Central Committee", part II, ed. 7, p. 225.

[4] V. I. Lenin, On deceiving the people with the slogans of freedom and equality. Speech at the First All-Russian Congress on Out-of-School Education, Works, vol. 20, pp. 329, 338.

Wages Under Socialism

Wages and the economic law of distribution according to work.

Lenin taught that socialism presupposes “social labor under the strictest accounting, control and supervision by the organized vanguard, the advanced part of the working people; moreover, both the measure of labor and its remuneration must be determined” [1] . Employees of state-owned enterprises receive this remuneration for their work in the form of wages.

Wages under socialism are essentially fundamentally different from wages under capitalism. In view of the fact that in a socialist society labor power has ceased to be a commodity, wages are not the price of labor power. It expresses not the relationship between the exploiter and the exploited, but the relationship between society as a whole, in the person of the socialist state, and the individual worker working for himself, for his society.

Under capitalism, wages, being the price of labor power, unlike the prices of other commodities, as a rule deviate downward from value and do not always enable the workers to satisfy their needs even within the limits of an extreme minimum. Under socialism, with the destruction of the wage labor system, the law of the value of labor power as a wage regulator completely lost its force. The basic economic law of socialism makes it necessary to ensure maximum meeting the ever-growing material and cultural needs of the whole society. The release of wages from capitalist restrictions allows "expanding it to that volume of consumption, which, on the one hand, is allowed by the available productive force of society ... which, on the other hand, requires the full development of individuality" [2] . As socialist production grows and improves , the real wages. The requirements of the basic economic law of socialism in regard to stimulating an increase in production and ensuring an increase in the well-being of the working people are carried out through the medium of the law of distribution according to work. According to this law, the share of each worker in the social product is determined by the quantity and quality of the work of this worker.

Wages serve as one of the most important economic instruments by means of which, in a socialist society, the personal material interest of each worker in the results of his labor is achieved: whoever works harder and better gets more. Because of this, wages are a powerful factor in the growth of labor productivity; they make it possible to correctly combine the personal material interests of the worker with state (general) interests.

The existence of commodity production and the law of value under socialism necessitates the form of money, wages. As has already been said, the articles of consumption needed to cover the outlays of labor power are produced and sold under socialism as commodities subject to the operation of the law of value. The monetary form of wages makes it possible to determine the share of the worker flexibly and differentially in the social product, depending on the results of his work.

Thus, wages under socialism are the share of the worker, expressed in money terms, in that part of the social product which is paid by the state to workers and employees in accordance with the quantity and quality of each worker's labor.

The money wages received by each worker and employee is their individual wage. The source of the individual wages of workers in socialist production is the product they create for themselves, which is distributed according to work. However, the standard of living of workers and employees under socialism is determined not only by individual money wages. Individual wages are supplemented by large funds allocated by the state and public organizations for the social and cultural needs of the working people at the expense of the product created by labor for society.

In accordance with the requirements of the basic economic law of socialism and the law of distribution according to work, the socialist state in each given period, in a planned manner, establishes the wage fund and its level for various categories of workers.

The wage fund is the entire amount of money systematically established by the state to pay for labor for a given period of time (year, month, etc.) for the national economy as a whole, individual industries and enterprises.

The policy of the state in the field of wages is based on the principles of a comprehensive differentiation of wages. Equalization of wages, which ignores the distinction between skilled and unskilled, heavy, and light, is deeply hostile to the socialist economic system. Skilled labor, as labor of a higher quality, requires the training of the worker and gives a greater production effect than unskilled labor. Because of this, he is paid more than unskilled labor. This system of payment stimulates the professional development of employees. Within the limits of equal skill, harder work is paid more than less hard work, while under the capitalist system, workers engaged in particularly hard physical labor are, as a rule, paid much lower than other workers. Thus, miners who receive low wages in capitalist countries are highly paid in socialist society, and heavy physical labor is increasingly facilitated by the use of machines.

In accordance with the economic necessity of the greatest encouragement of labor in the leading branches of the national economy, higher wages are set for workers in such branches of heavy industry as metallurgy, coal, oil, machine building, etc. Other things being equal, workers and engineering workers are also paid higher technical workers of enterprises and construction projects in economic regions of particular importance in the economic life of the country, as well as remote and sparsely populated areas. Thanks to this, wages are one of the economic instruments for the planned distribution and redistribution of skilled labor among enterprises and branches of social production in accordance with the requirements of the law of the planned development of the national economy.

The policy of the socialist state in the field of wages is carried out in the struggle against petty-bourgeois equalization in wages, against backward, anti-state, anti-mechanization tendencies.

The economic law of distribution according to work is contradicted by such an economic practice that does not consistently carry out a sharply pronounced differentiation in wages. In the absence of such differentiation, workers of skilled labor do not receive a clear advantage in payment compared to workers of simple labor, persons employed in the main jobs associated with the latest technology, compared with persons employed in auxiliary, manual work, production workers who are in heavy work, in contrast to workers in lighter jobs or in normal working conditions. The lack of proper differentiation leads to leveling, prevents the introduction of new technology and advanced methods of organizing production.

Violations of the correct pay ratios between workers, middle technical personnel, and engineering personnel lead to the fact that the wages of engineering and technical workers at individual enterprises or in entire sectors of the economy are lower than the wages of skilled workers. An economically unjustified increase in wages in certain sectors and economic regions that are not leading in the national economy makes it difficult to provide incentives for wages in relation to industries and regions that occupy key positions in the country's economy.

The trade unions play an important role in the conduct of wage policy

The trade unions take an active part in the work of state bodies in preparing measures in the field of organizing and remunerating labor, directly carry out social insurance, support the experience and initiative of innovators in production, promote the development of socialist competition and increase labor productivity, improve cultural and community services and working conditions for workers and employees. A collective agreement is concluded annually between the administration and employees of each enterprise with the active participation of trade unions. Collective agreement regulates all questions of labor, wages and life of workers and employees. It obliges both parties to take the necessary measures to ensure correct pay and a continuous increase in labor productivity, as

well as ever more complete satisfaction of the growing cultural and everyday needs of the workers of socialist enterprises.

Payroll forms. Tariff system.

The various forms of wages under socialism are concrete ways of fulfilling the requirements of the economic law of distribution according to work.

The basic form of remuneration in state socialist enterprises is the piecework form of wages. In 1953, 77% of all workers employed in industry were on piecework wages in the USSR.

The piecework form of wages under socialism creates the greatest interest of the worker in the results of his labor. It is fundamentally different from the capitalist piece work, which is based on a monstrous intensification of labor and leads to an increase in the rate of surplus value, and with the growth of the intensity of labor, the wages of the worker decrease.

In a socialist society, the amount of earnings of each worker is in direct proportion to the quantity and quality of his labor. Piecework payment, which ensures an increase in earnings as output per unit of time grows, stimulates an increase in labor productivity. Piecework payment encourages the full and rational use of machinery, equipment, raw materials, working time, the introduction of technical improvements, and the best organization of labor and production. Piecework wages contribute to the development of socialist emulation since high labor productivity also leads to high wages.

The most common is the direct piecework wage system. Under this system, each unit of products is paid at the same rate, regardless of the degree of fulfillment or over fulfillment of the established norm. The value of the wages of the worker increases in direct proportion to the increase in the number of products produced by him.

With piece-progressive In the wage system, a worker is paid for fulfilling the norm at one fixed rate, and for working above the norm

at other, higher, and progressively increasing rates. Thus, in some enterprises of the automobile and tractor industries of the USSR, if the worker exceeds the established norm by 1 to 5%, the piece rate for the exceeded output norm increases by 30%, if the norm is exceeded from 6 to 10%, it increases by 60%, etc. The most increasing a progression in rates is established for the leading professions, for workers employed in underground work, in hot shops, and for workers in other types of hard labor. The effectiveness of the piecework-progressive system is reduced in the presence of a plurality of pay scales, which makes it difficult to record and calculate wages, and establishing a direct and demonstrable link between wages and labor productivity. The effectiveness of the piecework-progressive system is also reduced if there are unreasonably sharp differences in prices for the overfulfilled part of the norm in different sectors of the economy.

With a piece-bonus wage system, direct piece-rate payment is supplemented with bonuses for certain indicators: for saving fuel, electricity, reducing production costs, reducing defects, for increasing the grade of a product, etc. At some enterprises, bonuses for certain quality indicators are also used for piecework - progressive wage system.

In those cases where, due to the conditions of production, it is impossible to use individual piecework pay (for example, the simultaneous maintenance of a large machine or unit by several workers), brigade, or group, piecework pay is used. Individual members of the brigade receive their share of the collective earnings, taking into account the time worked by each worker and the qualifications of the worker.

The XVIII Conference of the CPSU (b), emphasizing the need for consistent implementation of the principle of material incentives for well-working people, decided: "It is necessary to completely eliminate the rotten practice of equalization in the field of wages and ensure that piecework and the bonus system become to an even greater extent the most important levers in raising labor productivity,

and consequently, the development of our entire national economy” [3] .

The time-based form of wages is used for those jobs where the piece-rate form of payment cannot be applied or the use of piece-rate wages is not economically feasible due to the nature of the work (the work of a timekeeper, personnel for the protection of the enterprise, work on the manufacture of unique devices, control, and screening work, etc.). d.). There are simple hourly wages and hourly premium wages.

A simple time -based wage system is built differentially, depending on the duration of work and the qualifications of the employee. In order to strengthen the material interest of workers on time wages, a time-bonus wage system is used in the results of their work. Under this system, in addition to the rate per unit of time worked, the worker is paid a bonus for certain quantitative or qualitative indicators: for reducing the period of repair of equipment, saving raw materials, fuel, electricity, trouble-free operation of mechanisms, reducing marriage, etc.

The time-bonus wage system is widely used in relation to managing economic and engineering and technical workers. The wages of this category of workers (directors of enterprises, chief engineers, heads of workshops, foremen, etc.) are based on their monthly salaries, which are differentiated depending on the size of the enterprise (workshop, shift, etc.), its national economic significance, production experience of the employee, etc. In addition to the basic salary, management and engineering and technical employees receive a certain percentage of bonus allowance for the fulfillment and over fulfillment by the enterprise of the production plan for marketable products, subject to the fulfillment of the established plan for the gross output, compliance with the specified product range and fulfillment production cost plan.

The salaries of teachers, medical workers, employees of state institutions are also differentiated depending on the nature of the work, education, length of service and a number of other indicators.

A comprehensive differentiation of wages, taking into account the qualifications of the worker, labor productivity and the quality of his products, is carried out with the help of labor rationing and a certain tariff system.

The rationing of labor is the establishment of time for the performance of a certain work (time rate) or the amount of output in pieces per unit of time (production rate). Correct labor rationing is one of the most important conditions for managing the production process, improving the organization of labor, and raising its productivity, overcoming the equalization of wages, and developing socialist emulation. Technical standards are needed in order to pull the lagging masses to the advanced ones. Technical standards are a great regulating force that organizes in production the broad masses of workers around the advanced elements of the working class.

Socialist economic methods require an orientation towards progressive, technically substantiated output standards, which are set at a level between those standards that have already been achieved in production by the bulk of the workers and those achieved by the best innovative workers. In contrast to capitalist output standards, which are a means of unbridled intensification of labor that destroys the health of workers and shortens their lives, output standards at socialist enterprises are set in such a way that they are progressive and at the same time quite affordable for the entire mass of workers.

The introduction of progressive output standards is being carried out in a resolute struggle against conservative elements who defend outdated, understated standards that retard the growth of labor productivity and the successful fulfillment of plans. Such backward norms are, in particular, the so-called experimental-statistical norms, which do not take into account progress in technology and the organization of production, are equal to a worker who has little command of technology, and legitimize the unproductive loss of working time. The continuous improvement of technology requires a periodic revision of production standards in the direction of their increase. The interests of socialist society and the working masses

require the introduction of progressive, technically substantiated norms that fully correspond to the modern level of production technology and are a powerful factor in the growth of labor productivity.

The assessment of each type of work, based on the qualifications of the employee, the nature of the work, the conditions, and characteristics of the given branch of production, is established on the basis of the tariff system. The tariff system determines the level of wages in various branches of the national economy and for various categories of workers.

The most important elements of the tariff system are the tariff scale, tariff-qualification reference books and the tariff rate.

Differentiation of wages depending on the qualifications of employees is established on the basis of the tariff scale. According to their qualifications, workers are divided into several categories. An unskilled worker belongs to the first category, and his payment is taken as a unit. The higher the qualification of the worker, the higher the category he belongs to, the correspondingly higher his payment.

The production characteristics of various jobs performed in this industry are given in the tariff-qualification reference books, which serve as the basis for determining the qualifications of a worker and assigning him to one or another category in the tariff scale.

The tariff rate determines the amount of remuneration of an employee per unit of time in relation to various categories. Tariff rates allow the socialist state to establish differentiated wages, taking into account the national economic significance of each branch, the degree of mechanization of labor achieved, the characteristics of certain economic regions, etc. The incorrect construction of tariff scales and tariff rates, in which differences in wages for workers belonging to the lower and the highest levels are insignificant, reduces the interest of workers in improving their skills, leads to equalization and hinders the growth of labor productivity.

A properly constructed tariff system makes it possible to organize wages in such a way that it strengthens the decisive links in production and moves people to higher qualifications.

Steady growth of real wages under socialism.

Under the socialist system, in accordance with the requirements of the basic economic law of socialism, there is a steady increase in real wages.

The most important economic basis for the growth of real wages is the continuous advance of socialist production on the basis of higher technology and the increase in labor productivity.

In order for a socialist society to live and develop, the rise in labor productivity must constantly outpace the rise in wages. Only under this condition can society have the necessary resources to expand production, increase reserves and more fully satisfy the growing needs of the working people. If the continuous growth of labor productivity and social production is a stable basis for a further increase in real wages, then an increase in real wages leads to an increase in the purchasing power of the working people, which in turn serves as a constant engine of social production.

The continuous upswing of socialist production leads to a systematic increase in the number of workers and employees. The number of workers and employees in the USSR increased from 10.8 million people at the end of 1928 to 44.8 million people at the end of 1953, or more than 4 times, with a significant increase in real wages. Under capitalism, the need to maintain a reserve army of unemployed places a heavy burden on working-class families and lowers the real wages of the entire working class. The absence of unemployment in a socialist society frees the working class, society as a whole, from the need to maintain a reserve army of unemployed. Growing production provides an opportunity to work for all able-bodied members of the family, which greatly increases its total income.

The working people of socialist society are free from those huge losses in wages which the working class of the capitalist countries suffers in connection with various restrictions on wages on grounds of sex, age, nationality, and race.

For the first time in a socialist society, the principle of equal pay for equal work has been implemented - without distinction of sex, age, nationality, or race. Under socialism, child labor is prohibited. The real equality of women with men is ensured by equal pay, the provision of leave to a woman during pregnancy with pay, a wide network of maternity hospitals, nurseries and kindergartens, and the payment of state benefits to large and single mothers. Any direct or indirect restriction of the rights to wages, depending on the race and nationality of the employee, is punishable as a serious crime.

The steady rise in wages in a socialist society is further conditioned by the growth of the cultural and technical level of the workers and by the improvement of their qualifications. Under the capitalist system, with the development of industrial technology, large sections of skilled workers are forced out by machines and go over to poorly paid unskilled jobs. At the same time, workers crippled by the capitalist intensification of labor are pushed out of the sphere of production into the ranks of the unemployed and replaced by healthier and stronger workers. In a socialist society, the growth of production is based on rapid technical progress. The old professions of heavy manual labor are being replaced by new professions of skilled and higher paid labor based on the latest technology. Encouraging long and perfect work in the same field of work,

A major factor in the steady growth of real wages is the policy consistently pursued by the socialist state of lowering the prices of consumer goods. The increase in the purchasing power of money and the reduction in the prices of personal consumption goods in a socialist society are a constantly active factor in improving the well-being of the working people.

The reduction in retail prices for consumer goods, carried out over the period from 1947 to 1954, led to a decrease in the overall level of these prices by 2.3 times and gave the population a gain of several hundred billion rubles. During the same years, due to the increase in the cost of living in the capitalist countries, the cost of living index, according to official data, increased by 21% in the USA and by 40% in England. Compared to pre-war times, the cost of living in the United States has risen by 189%, that is, almost three times, and in England - by 125%.

With the nationalization of the land, the huge tribute that, under capitalism, the owners of urban lands in the form of ground rent, collect from society, has disappeared. In the budget of a working-class family in the capitalist countries, rent, heating, and lighting consume about a fourth of the earnings. In a socialist society, due to public ownership of land, the housing stock of cities and public service institutions, rent and other public services occupy a very small share in the budget of a working family. In the USSR they average only 4%, which is an essential condition for raising the level of real wages.

In the Soviet Union, the enormous scale of housing construction ensures a steady improvement in the living conditions of the working people. Only for 1946-1953, state enterprises, institutions, and local councils, as well as the population of cities and workers' settlements, with the help of state loans, built and restored residential buildings with a total area of more than 183 million square meters. In addition, over 4 million residential buildings have been restored and built in rural areas.

The workers and employees of socialist society are free from the heavy burden that the working masses of the capitalist countries are forced to bear in connection with the tax policy of the bourgeois states. In capitalist countries, high taxes sharply reduce the real wages of workers. In the USSR workers and employees spend only an insignificant part of their wages on paying taxes. Moreover, taxes go to the needs of the national economy and to social and cultural events.

A very important addition to individual money wages is the ever-increasing funds spent by the socialist state on public social and cultural measures.

In a socialist society, social insurance for workers and employees is compulsory and is carried out at the expense of the state, while in the capitalist world social insurance exists in only a few countries, and workers are forced to pay a significant part of the insurance premiums from their wages. In the first five-year plan, the Soviet state spent 8.9 billion rubles on social insurance, in the second five-year plan - 32.1 billion, in the fourth five-year plan - 79.1 billion, over three years of the fifth five-year plan - over 66 billion rubles.

Workers and employees of the USSR are paid social security pensions at the expense of the state, free medical care is provided, vouchers to sanatoriums, rest homes and children's institutions are provided free of charge or at reduced prices, free education and advanced training, scholarships for students; all workers and employees receive holidays paid at the expense of the state for at least two weeks, and workers in a number of professions - for longer periods.

From 1940 to 1953, expenditures from the state budget of the USSR for social and cultural events increased by more than 3 times. State appropriations for public education increased from 22.5 billion to 61.1 billion rubles, for public health, including expenditures for these purposes at the expense of social insurance funds, from 11.2 billion to 28.7 billion rubles, for social security - from 3.1 billion to 22.8 billion rubles; in addition, huge funds are spent on the payment of benefits to mothers with many children and single mothers; for example, in 1953 such benefits were paid by the state in the amount of 4.5 billion rubles. In 1953, the population of the USSR received from the state budget in connection with an increase in government spending on socio-cultural events and other costs,

Thus, many of the material and cultural needs of workers and employees are satisfied at the expense of state and public organizations' expenditures for social and cultural needs, which is an

important factor in the steady growth of real wages. Thanks to this, the real incomes of workers and employees of the USSR are increased by about one third above what they receive in the form of an annual individual money wage.

The socialist state, concentrating in its hands all the levers that determine the material well-being of the working people, is pursuing a policy of systematically raising real wages. Already in 1930, the real wages of workers, including social insurance and deductions from the net income of enterprises (profits) to the fund for improving the living conditions of workers, increased in relation to the level of 1913 to 167%. In 1953, the average monthly wage of all workers and employees of the USSR amounted to 201% by 1940. The level of retail prices in state, cooperative and collective farm trade, rent and all types of services in 1953 amounted to 122% of the level of 1940. Thus, the real wages of all workers and employees of the USSR increased from 1940 to 1953 by 65%, taking into account the growth of state spending on cultural and social services for the population, all incomes of workers and employees increased by 89% over this period. The real wages of workers and employees of the USSR in 1953 were about 6 times higher than before the revolution.

A steady rise in real wages leads to better nutrition for the working people of socialist society, to an increase in their consumption of manufactured goods and to an increase in their savings. In 1953 the contributions of working people to savings banks increased by more than 5 times in comparison with 1940. In the conditions of a socialist society, where the right to work, to rest, to material security in old age, as well as in the event of illness and disability, is guaranteed, the growth of savings is a direct indicator of the growth in the well-being of the population.

“Our revolution,” Stalin said, “is the only one that not only broke the fetters of capitalism and gave the people freedom, but also managed to give the people the material conditions for a prosperous life. This is the strength and invincibility of our revolution” [4].

SUMMARY

1. In a socialist society, wages are the share of the worker, expressed in money terms, in that part of the social product which is paid by the state in accordance with the quantity and quality of each worker's labor. Proceeding from the requirements of the basic economic law of socialism and the law of distribution according to work, the socialist state in each given period systematically fixes wages for various categories of workers in such a way that, along with the growth of the national economy and an increase in labor productivity, the level of wages is systematically raised.

2. Wages are a powerful engine of socialist production: they stimulate the improvement of the skills of the worker, the continuous improvement of technology, the improvement of the organization of production, and the growth of the productivity of social labor.

Piecework wages under socialism most fully combine the personal material interests of the worker with national economic interests. In socialist society, the following systems of piecework wages are used: direct piecework, piece-progressive, piece-bonus. Hourly wages depend on the duration of work and the qualifications of the worker. The work of workers receiving time wages is encouraged by various types of bonuses.

3. The purpose of the tariff system in the socialist economy is to organize wages in such a way that it strengthens the decisive links in production and encourages advanced training. Progressive, technically substantiated norms correspond to the socialist principles of economic management. The policy of the socialist state in the field of remuneration is carried out in the fight against petty-bourgeois leveling on the basis of a comprehensive differentiation of wages: higher wages for skilled and hard labor, the labor of workers in the leading professions and branches of the national economy.

4. The basic economic law of socialism determines the steady increase in real wages. The most important factors in raising real wages are: the continuous growth of socialist production in the complete absence

of unemployment; the systematic reduction in prices for consumer goods and the stability of Soviet money; the growth of the cultural and technical level of workers, their qualifications; improving the living conditions of workers. The individual monetary wages of workers and employees are supplemented by large appropriations from the state and public organizations for social and cultural measures, which is an important source of a steady increase in the standard of living of the working people.

[1] V. I. Lenin, Report on Subbotniks at the Moscow City Conference of the RCP (b), Works, vol. 30, p. 260.

[2] K. Marx, Capital, vol. III, 1953. pp. 889 – 890.

[3] Resolution of the XVIII Conference of the All-Union Communist Party of Bolsheviks, "CPSU in Resolutions and Decisions of Congresses, Conferences and Plenums of the Central Committee", Part II, ed. 7, p. 975.

[4] I. V. Stalin, Speech at the First All-Union Conference of the Stakhanovites, "Problems of Leninism," ed. 11, 1952, p. 537.

Economic calculation and profitability. Cost and price Economy mode.

The economic system of socialism is free from the contradictions of capitalism, which give rise to enormous waste of material and labor resources. The socialist planned system of the national economy opens up possibilities for the greatest savings in the means of production and labor in comparison with all the methods of production that preceded it.

All kinds of manifold savings in society ultimately come down to saving working time, saving living and past labor, that is, they mean an increase in the productivity of social labor. "The less time a society needs to produce wheat, livestock, etc.," wrote Marx, "the more time it gains for other production, material or spiritual. Both for the individual and for society, the comprehensiveness of his development, his consumption and his activity depends on saving time" [1] .

The economy of working time is one of the main factors ensuring the continuous growth of production in a socialist society. The saving of working time is achieved by consistent compliance with the economy mode. Economy mode there is a method of socialist management aimed at achieving the best results at the lowest cost. The austerity regime requires a careful attitude to public property, a systematic reduction in the cost of living and materialized labor for the production of products, the improvement of technology, and the rational use of labor, material, and monetary resources. Observance of the austerity regime is a necessary condition for the growth of socialist accumulation and the correct use of accumulated funds. By helping to save social labor, the austerity regime serves as a powerful lever for boosting socialist production.

In accordance with the basic economic law of socialism, the austerity regime is aimed at raising the material well-being and cultural level of the masses in every possible way. In contrast to the capitalist system, where the economy of production costs is achieved at the

expense of the working people, by worsening their working conditions and intensifying exploitation, under the socialist system, the economy regime serves the interests of the whole society, leads to an improvement in the position of the working people, and is therefore a public matter. The implementation of the strictest regime of economy in all links of the national economy and in all branches of government is one of the main tasks of the economic and organizational activity of the socialist state.

The Communist Party and the Soviet state, proceeding from the objective necessity and the enormous possibilities for saving labor under socialism, are mobilizing the masses to fight for economy, so that every hour the expenditure of social labor, every piece of equipment, fuel, energy, and raw materials will give an ever greater production result. This ensures the steady growth of the economy of social labor in the socialist economy.

Economic calculation and profitability of enterprises.

The regime of economy is carried out at all socialist enterprises. In state socialist enterprises and in the artels of industrial cooperation, cost accounting is the most important means of implementing the regime of economy.

Lenin pointed out that it is possible to build socialism and bring tens and tens of millions of people to socialism "not on enthusiasm directly, but with the help of enthusiasm born of the great revolution, on personal interest, on personal interest, on economic calculation" [2] . Economic accounting is a method of planned management of the economy in socialist enterprises, which requires commensuration of the costs and results of production in monetary terms, reimbursement of expenses incurred by the enterprise with its own income, and ensuring the profitability of production. The costs of the enterprise associated with its economic activity are reimbursed from the funds received from the sale of its products by the enterprise at prices established by the state.

Economic accounting is a means of implementing the requirements of the law of planned (proportional) development of the national economy. It is designed to ensure the fulfillment and over fulfillment of state plans at the lowest cost of labor and means of production.

Economic accounting is based on the use of the law of value. As has already been said above, the costs and results of production, the incomes and expenditures of socialist enterprises are expressed and measured in monetary form. Economic accounting, using the monetary form, makes it possible to carry out calculation, accounting, and control over the activities of enterprises. It reveals the profitability or unprofitability of each individual enterprise. Economic accounting educates the managers of enterprises in the spirit of rational management of the economy, disciplines them, teaches them to accurately calculate production quantities, increase labor productivity, reduce the cost of production, and increase the profitability of production.

One of the requirements of economic accounting is to ensure the profitability of the enterprise. The profitability (profitability) of an enterprise means that the funds received by the enterprise from the sale of its products compensate for the cost and, in addition, provide income. Profitability characterizes the economic efficiency of the enterprise for a certain period of time. "The profitability of individual enterprises and branches of production is of great importance from the point of view of the development of our production. It must be taken into account both in construction planning and production planning. This is the ABC of our economic activity at the current stage of development" [3] .

Along with the profitability of individual enterprises and branches of production, the socialist economy achieves the highest profitability, inaccessible to capitalism, on the scale of the entire national economy. This means that profitability is determined not from the point of view of individual enterprises or branches of production and not in the context of one year, but from the point of view of the entire national economy and in the context of a long period of time. The profitability

of individual branches and enterprises is of subordinate importance in relation to national economic profitability. Increasing the profitability of individual enterprises and entire branches of the economy helps to accelerate the pace of development of the entire national economy.

In a socialist economy, along with profitable enterprises, there may be temporarily unprofitable and even unprofitable enterprises, but they are of great national economic importance. The socialist state supports these enterprises with state subsidies, taking steps to make them profitable.

Thus, under war conditions, a system of subsidies to cover the losses of heavy industry was an inevitable measure. However, this system hindered the strengthening of economic accounting and weakened material incentives in the struggle to reduce the cost of production. Therefore, after the war, on January 1, 1949, the system of subsidies was abolished. This was achieved by increasing labor productivity and reducing costs, as well as by temporarily increasing prices for the products of some branches of heavy industry. Wholesale prices have been brought into line with the cost price. The abolition of subsidies helped to strengthen economic accounting, stimulated savings in labor and material costs for the production of industrial products, and created the necessary conditions for a subsequent reduction in wholesale prices.

Economic accounting expresses the relationship between the socialist state and its enterprises, as well as the relationship between individual socialist enterprises.

Economic accounting is based on a combination of the centralized management of socialist enterprises by the state with the economic and operational independence of each enterprise. The economic and operational independence of an enterprise is expressed in the fact that it receives at its disposal the state means of production and has the opportunity to show broad initiative in their most rational use for the best fulfillment of planned targets.

The socialist state distributes the means of production among its enterprises and assigns to each of them the material and financial resources necessary for the fulfillment of plans. An enterprise, as a legally independent economic unit, enters into economic relations with other enterprises and organizations, recruits its personnel, organizes its production, supply, and marketing activities. The enterprise has a current account in the State Bank for keeping its funds, receives the right to use a bank loan and has an independent balance sheet.

The economic and operational independence of state enterprises is exercised within the framework of public ownership of the means of production: the socialist state remains the owner of the means of production transferred for use by a particular enterprise. It systematically organizes communication between individual enterprises, taking into account the role of each of them in the general system of the national economy. Relations between socialist enterprises are not relations of competition, as is the case under capitalism, but relations of cooperation in the accomplishment of the tasks of the whole people.

Economic accounting assumes the responsibility of the enterprise, its leaders to the state for the implementation of the plan and the rational use of resources.

The enterprise is responsible for the timely and correct payment of wages to workers and employees. The enterprise is responsible for the timely and complete fulfillment of obligations for payments to the state budget, for the correct use of received budgetary funds and bank loans.

Economic accounting also implies the material responsibility of the enterprise to other enterprises and economic organizations for the fulfillment of its obligations.

Economic relations between enterprises are regulated by economic contracts. Enterprises, in accordance with the national plan, acquire

the means of production they need and sell their products under contracts.

The contract defines: terms of delivery, volume, assortment, product quality, delivery time, price, terms and payment procedure, forms, and amount of liability for violation of the terms of the contract. The contract establishes material sanctions: penalties for non-fulfillment of the contract, penalties for violation of delivery dates, a fine for violation of product quality.

Strict observance by enterprises of contractual discipline is one of the most important requirements of cost accounting.

Economic accounting is based on the material interest of the enterprise, the entire team of workers and management personnel in the fulfillment of the plan, in the continuous and rapid growth of production, in economical and rational management, and in ensuring the profitability of the enterprise.

The material interest of the enterprise and its employees in fulfilling the plan and in raising production is ensured primarily by the fact that the enterprise receives funds depending on the results of its economic activity. Further, at the disposal of the enterprise there remains a part of the income (profit), which goes to replenish working capital, to capital investments, to improve the cultural and living conditions of workers and employees.

Economic accounting requires every possible use of the economic law of distribution according to work. Distribution according to work creates a personal material interest in raising labor productivity, in saving resources, and leads to the strengthening of economic accounting. In turn, economic accounting contributes to the consistent implementation of the law of distribution according to work and to the improvement of the well-being of the working people. The higher the income of the enterprise, the more opportunities it has to encourage its employees by improving their financial situation and cultural and living conditions. The more developed economic

accounting, the more widely the issuance of bonuses for saving resources is used.

Economic accounting requires constant control of the ruble over the activities of the enterprise and its individual parts. Ruble control is as follows: through the monetary indicators of the economic activity of the enterprise (cost, profitability, etc.), the quality of its work is revealed; the receipt of funds by the enterprise depends on the quality of work, on the degree to which it fulfills the plan; enterprises are required to timely pay money for mandatory payments (repayment of loans to the bank, contributions to the budget, etc.), regardless of the fulfillment of general planned targets; enterprises are obliged to timely make settlements with other enterprises (suppliers or buyers) in accordance with the agreements concluded between them. The control of the work of enterprises by the ruble is carried out by economic organizations, financial bodies, and the banking system. Mutual control of the ruble is carried out by enterprises bound by business contracts.

The rational organization of socialist production at enterprises requires the use of elements of cost accounting in the shops, at the production sections of the enterprise. A workshop, a section are parts of an enterprise that have some independence in terms of production and technology, but they do not have the economic and operational independence characteristic of an enterprise. Therefore, economic accounting is applied here only to a limited extent. The elements of economic accounting in shops and production sites are: accounting for costs in cash, comparing these costs with planned targets, material incentives for workers who have achieved the best indicators in the field of saving resources.

The movement of funds of the enterprise is carried out on the basis of financial plans that determine the sources of income and direction of expenses of the enterprise.

Consistent economic accounting, increasing the material interest of the enterprise and its workers in the results of production, in fulfilling

the plan, contributes to the growth of production activity and socialist competition among the masses for the full and rational use of resources, for thrifty and prudent management of the economy. Economic accounting is aimed at steadily improving the use of all the funds at the disposal of enterprises.

Enterprise funds. Fixed and working capital.

The funds allocated to state enterprises - material and monetary - representing the property of the whole people, form its funds.

Although the means of production of state enterprises in the USSR, as has been shown, are not essentially commodities, they retain the form of commodities. The means of production in state enterprises are not only in kind, but also in monetary form. Hence the need to use for the purposes of calculation and settlement, for the implementation of self-financing, such categories as cost, value, and price of means of production.

The means of production constitute the production assets of the enterprise. The production assets of the enterprise make a continuous turnover in a planned manner, successively go through the stage of production and the stage of circulation. In accordance with this, they change their form: the monetary form turns into a productive one, a productive one into a commodity one, a commodity one into a monetary one, etc. Depending on the nature of the turnover, the production assets of an enterprise are divided into fixed and circulating assets.

Fixed assets serve production for a long time, while maintaining their natural form. The cost of fixed assets is included in production costs gradually, in parts, as these funds wear out. Circulating assets are entirely consumed in the production process during one period of production, and their value is fully included in the cost of production of goods.

The main production assets of the enterprise include means of labor: industrial buildings, structures, machines, tools and equipment for durable use, vehicles. Fixed assets constitute the production apparatus of socialist society. The volume and degree of use of fixed assets are an important factor determining the size of production.

The socialist economic system ensures the continuous growth of fixed assets and makes it possible to use them much better than capitalism.

The fixed assets of industry are used in the USSR approximately twice as efficiently as in bourgeois countries. At the ferrous metallurgy enterprises of the USSR, the efficiency of using blast furnaces already in 1940 was almost 2 times higher than the level of their use in 1913. In 1953, the use of blast furnaces increased by 38% compared to 1940. and open-hearth furnaces - by 43%.

To compensate for depreciating fixed assets at the enterprise, there is a depreciation fund. It is formed by including in the costs of production of each unit of output a certain part of the value of fixed assets corresponding to their depreciation. Part of the depreciation fund of enterprises in amounts determined by the state is used in a planned manner to compensate for retired fixed assets, while the other part remains at the disposal of the enterprise for spending on major repairs of existing fixed assets.

The circulating production assets of the enterprise include: raw materials, materials, fuel, semi-finished products, and other objects of labor. In addition to funds located in the sphere of production, enterprises have funds operating in the sphere of circulation, or funds of circulation. The circulation funds consist of ready-to-sell products and the enterprise's funds necessary for the purchase of raw materials, fuel, for the payment of wages, etc. Production working capital and circulation funds in their totality constitute the working capital of the enterprise.

An important factor in increasing the degree of use of fixed and circulating assets is the establishment by the state of progressive

technical and economic standards for the use of machinery and equipment, mandatory for the enterprise, consumption rates of raw materials, fuel and other elements of circulating assets per unit of finished products (iron ore and coke per ton of pig iron, sugar yield per ton of beets, etc.) and stock norms for elements of working capital, including finished products.

Working capital of the enterprise is divided into own and borrowed. The formation of own and borrowed working capital is carried out in a planned manner.

Own working capital is allocated to the enterprise by the state, to the minimum of his needs. An additional or temporary need of an enterprise for working capital, associated, for example, with the need to form seasonal stocks of raw materials, fuel, with goods on the way, is covered by borrowed funds - loans from the State Bank, for which the State Bank charges a certain fee - a percentage. This procedure for allocating working capital stimulates the most rational and economical use of them by the enterprise, accelerating their turnover.

Accelerating the turnover of working capital is of great importance in the implementation of the savings regime and the release of additional resources to increase production.

The rate of turnover of the enterprise's funds depends, firstly, on the time of production, that is, on the duration of the production cycle, and, secondly, on the time during which these funds are in circulation (in the form of stocks of products ready for sale, etc.).

The reduction of the production cycle is achieved by accelerating production processes through the use of advanced equipment and technology, the application of the latest scientific achievements in production, and improving the organization of labor. The circulation time of working capital is reduced by improving the operation of transport, more rational organization of the supply of enterprises and the marketing of their products.

The rate of turnover of funds is one of the main indicators of the quality of the economic activity of the enterprise. Accelerating the turnover of funds is an important factor for the enterprise in fulfilling the plan for output and increasing accumulation. It ensures the implementation of the plan with a smaller amount of working capital.

Socialist emulation is of great importance in strengthening economic accounting and accelerating the turnover of circulating assets. As a result of shortening the production cycle, improving the supply of enterprises and marketing products, and strengthening financial discipline, the use of working capital of state enterprises is significantly improving.

In addition to production assets and circulation funds, enterprises also have fixed assets for consumer purposes - residential buildings, clubs, and other public and cultural buildings with their equipment.

The economical and efficient use of fixed and circulating assets by socialist enterprises makes it possible to increase the volume of output and reduce its cost.

Product cost.

In a socialist society, all expenditures of social labor for the production of this or that product are social costs of production. The social cost of producing commodities constitutes the value of those commodities. The costs of production of means of production are also measured in value, monetary form. The social costs of production consist of the following three parts: the value of the means of production used up, the value of the product created by labor for itself, the value of the product created by labor for society.

The first two parts of the social costs of production form the cost of production in state socialist enterprises. The cost of production is that part of the social costs of production, expressed in monetary form, which reimburses the costs of the enterprise for the spent means of production and wages. Therefore, the cost price reflects the past labor

embodied in the spent means of production, and the newly expended labor creating a product for itself. The cost price shows what the manufacturing and marketing of products cost the enterprise. Cost accounting is the most important condition for the implementation of economic accounting.

The category of production costs of socialist enterprises must not be confused with the category of capitalist production costs, which express capital outlays. If the economy of capitalist production costs is carried out through the predatory use of labor power, increased exploitation, then the reduction in the cost of production under socialism expresses the saving of social labor in the interests of society as a whole.

In practice, in accordance with the requirements of economic accounting, the cost of production is made up of the costs of raw materials, materials, fuel, electricity used in production, of depreciation charges, of the wages of workers and employees with charges on it, and of various cash costs for administrative and managerial needs. The accruals of enterprises on wages are the monetary expression of the part of the product for society, which is placed at the disposal of the social insurance bodies.

There are two types of cost of industrial products: factory and full (so-called commercial) cost. Factory cost includes the costs of the enterprise associated with the production of products. The full cost consists of the factory cost and the costs associated with the sale of products (maintenance of sales offices, bases, payment for transport and administrative and economic costs of trusts, combines).

In 1953, about 3/4 of the cost of industrial production in the USSR accounted for material costs (costs for raw materials, fuel, electricity, depreciation, etc.) and about 1/4 for wages.

The cost of production is the most important generalizing indicator of the quality of the entire work of the enterprise. The cost of production reflects all the production, supply, marketing activities of the

enterprise. The lower the cost, subject to the fulfillment of the plan for the production of products and ensuring the proper quality of products, the higher the level of economic activity of the enterprise. The state in a planned manner systematically sets targets for reducing the cost of production, based on progressive norms for labor costs and the use of means of production.

The cost of production is reduced as a result of the growth of labor productivity, the rational use of fixed and working capital, the acceleration of the turnover of funds and the reduction in the cost of maintaining the administrative apparatus. The active participation of the masses in the implementation of the austerity regime is of great importance for reducing costs. Reducing costs means saving on living and past labor, it leads to an increase in accumulation and is one of the central tasks of socialist economic management.

The cost of production of the state industry of the USSR is systematically reduced. Thus, the cost of production decreased compared to the previous year: in 1948 - by 8.6%, in 1949 - by 7, in 1950 - by more than 5, in 1951 - also by more than 5 %. In 1952, the cost reduction, taking into account the reduction in prices for raw materials, materials, fuel and tariffs for electrical and thermal energy and freight transportation, amounted to more than 8% and in 1953 - more than 5%.

Net income of a state-owned enterprise. Centralized net income of the state.

The product for society created by the labor of workers in socialist production constitutes the net income of society. In the public sector, all net income is in monetary form and represents the difference between the social costs of producing a product, or the value of a commodity and its cost. Net income in the public sector is public property and takes two main forms: the net income of the state enterprise and the centralized net income of the state.

The net income of a state enterprise is that part of the product created by labor for society, which remains in the given enterprise and accumulates in the form of money. The centralized net income of the state is that part of the product created by labor for society, which is withdrawn from enterprises and concentrated in the form of money in the hands of the state to be used for public needs.

The necessity of these two forms of net income is conditioned, on the one hand, by the economic accounting system, and, on the other hand, by the need of the socialist economy to centralize a large part of net income. Thanks to this, the socialist state ensures that the workers are interested in increasing the profitability of each enterprise individually and satisfying the needs of society as a whole.

In economic usage, the net income of state enterprises is called "profit". However, in a socialist society, the conditions for the existence of the economic category of profit have completely disappeared since profit expresses the relations of capitalist exploitation. In view of this, the net income of a state-owned enterprise is essentially not profit. The net income of a state enterprise is the difference between the cash receipts for the products sold by this enterprise at prices set for it by the state, on the one hand, and the cost of these products, on the other hand. The value of the net income of the enterprise depends on the degree of implementation of plans for production and sales of products, on the implementation of the cost reduction plan. The cost price and net income of the enterprise are closely related:

The net income of enterprises is used by the state in a planned manner: part of it is directed to the expansion of production in a given enterprise or in a given industry (for capital investments and an increase in own working capital), the other part forms the director's fund for material incentives for employees of the enterprise and for other needs. The part of the enterprise's net income remaining to cover these needs is withdrawn to the state budget in the form of so-called deductions from profits.

From 1 to 5% of the planned net income of the enterprise is deducted to the director's fund, depending on the importance of individual industries, the number of employees and the amount of net income. To stimulate the over fulfillment of the net income accumulation plan, it was established that from the amount of income received in excess of the plan, from 15 to 45% is deducted to the director's fund.

These deductions can be made subject to the fulfillment by the enterprise of the state plan for the production of marketable products in the established assortment, the fulfillment of the task to reduce costs and the plan for accumulating net income. Half of the funds of the director's fund are directed to the maintenance of children's institutions, to equip rest houses, sanatoriums, canteens, clubs, to purchase vouchers to rest houses and sanatoriums, to issue individual bonuses to workers, engineering and technical workers and employees, as well as to provide them with one-time assistance , and the other half - for the expansion of production, for the construction and repair of the housing stock of the enterprise.

The net income of enterprises is steadily rising as a result of the constant and rapid growth in production, the rise in labor productivity and the reduction in costs. The total amount of net income (profit) of enterprises and economic organizations of the USSR in 1932 was 6.6 billion rubles, in 1940 - 31.8 billion and in 1953 - 89.8 billion rubles.

The value of the net income of a state enterprise directly depends on the work of the enterprise itself, on how much it will reduce the cost of a unit of production and how it will fulfill the production and marketing plan for products. The growth of the company's net income allows to increase the amount of deductions to the director's fund, provides an increase in working capital and capital investments. Consequently, the net income of a state enterprise is inextricably linked with economic accounting and serves as a direct stimulus for improving the quality of the enterprise's work.

The socialist state plans the level of net income of enterprises and sets the rate (level) of profitability for individual goods and enterprises. The rate of return of the enterprise is expressed as a percentage of the ratio of the sum of the net income of the enterprise to the total cost of sales.

The rate of profitability of a socialist enterprise is fundamentally different from the rate of profit under capitalism. The law of the average rate of profit and the price of production does not operate in the socialist economy. The rate of return here is determined by the state not in the order of equalizing net income between enterprises, but on the basis of the specific conditions of the enterprise, taking into account its interest in obtaining net income, on the one hand, and ensuring control over the activity of the enterprise by the ruble, on the other. To this end, the enterprise is set such a rate of profitability that does not allow it to accumulate excessive funds and constantly encourages it to strengthen economic accounting and reduce the cost of production. Since net income is an integral part of the price, an excessive increase in the rate of return may serve as an obstacle to lower prices. Thus, in accordance with the principles of economic accounting, each state enterprise is interested in obtaining net income, and this circumstance stimulates the development of production and the reduction of production costs.

The main part of the centralized net income of the state is now in the form of the so-called "turnover tax". The turnover tax is not at the disposal of enterprises, but immediately after the sale of products, it goes entirely to the state budget. Value added tax is included in the wholesale price in an amount fixed in advance by the state. In view of this, in contrast to the net income of enterprises, the value of the turnover tax established for a given period per unit of output does not directly depend on the fulfillment by the enterprise of the cost plan.

Although part of the centralized net income of the state is called the "turnover tax", but by its nature it is not a tax or any deduction from the income of workers. Thus, the amount of wages is determined by the socialist state on the basis of the need to systematically raise its

real level, taking into account the prices of consumer goods, including the turnover tax.

In the process of distribution, part of the net income of state enterprises goes into the centralized net income of the state in the form of deductions from profits, payroll for social insurance needs, etc. In addition, a part of the net income of cooperative-collective farm enterprises goes into the centralized net income of the state.

The price of industrial products.

The cost price, the net income of the enterprise and part of the centralized net income of the state in the form of the so-called turnover tax are included in the prices of industrial products.

In the state industry of the USSR, there are two main types of prices: the factory price (the so-called enterprise price) and the wholesale price of industry. The factory price for industrial products is equal to the planned cost of production plus the net income of the enterprise. Thus, the factory price provides the enterprise with the reimbursement of its planned costs and the receipt of net income.

The wholesale price of industry includes the factory price and that part of the state's centralized net income which acts as a "turnover tax".

The net income of society is created in all branches of production. However, the turnover tax is received by the state through the price mechanism mainly from the sectors of the economy that produce consumer goods. Prices for the products of industries that produce means of production, as a rule, do not include sales tax. Part of the net income created in heavy industry is realized in light industry and in other industries that produce consumer goods. This ensures a relatively low level of prices for the means of production used both in industry and in agriculture, helps to accelerate the pace of mechanization of production, and ultimately leads to an increase in production and a reduction in the cost of consumer goods.

The socialist state is consistently pursuing a policy of systematically reducing the cost of industrial production and, on this basis, lowering the prices of manufactured goods.

The decline in wholesale prices for industrial products leads to greater control over the work of enterprises by the ruble. By lowering wholesale prices, the state thereby forces the heads of enterprises to reduce costs in order to ensure the profitability of production, improve the organization of labor, and reveal and use the reserves hidden in the economy. Thus, the reduction in wholesale prices strengthens economic accounting, strengthens the economy, and creates a material basis for reducing retail prices.

SUMMARY

1. Socialism ensures the economy of all production resources, which is inaccessible to capitalism, and which ultimately boils down to a steadily growing economy of working time, that is, of living and past labor. The austerity regime is a method of socialist economic management, consisting in a careful attitude to social property, the rational use of labor, material and monetary resources, and the elimination of mismanagement.

2. Economic accounting is a method of planned management of the economy in state socialist enterprises, which requires commensuration of costs and results of production in monetary terms, reimbursement of expenses incurred with one's own income and ensuring the profitability of production. Economic accounting presupposes the economic and operational independence of the enterprise, responsibility for the economical use of the funds at its disposal, and a material interest in the best results of work.

3. The production assets of state socialist enterprises are divided into fixed and circulating assets. Working capital and funds in circulation constitute the current assets of the enterprise. The socialist economic system ensures the most complete and expedient use of fixed assets and circulating assets.

4. The cost of production is that part of the social costs of production, expressed in monetary form, which reimburses the costs of the enterprise for the means of production and wages. The cost of production is the most important indicator of the quality of the enterprise. The price of industrial output is set by the state and used by it to strengthen economic accounting. The systematic reduction of costs and prices is one of the basic principles of socialist economic management, arising from the requirements of the basic economic law of socialism.

5. The product of labor for society is the net income of socialist society. Net income in the state production sector appears in two main forms: in the form of net income of the state enterprise and in the form of centralized net income of the state. The net income of a state enterprise is that part of the product created by labor for society, which remains in the given enterprise and accumulates in the form of money. The centralized net income of the state is the monetary expression of that part of the product created by labor for society, which is withdrawn from enterprises and concentrated in the hands of the state to be used for the general needs of the people. Such a division of the company's net income is due to the need, on the one hand, for the implementation of economic accounting, and on the other - centralized use of a significant part of the net income of society.

[1] "Archive of Marx and Engels", vol. IV, p. 119.

[2] V. I. Lenin, On the Fourth Anniversary of the October Revolution, Works, vol. 33, p. 36.

[3] I. V. Stalin, Economic problems of socialism in the USSR, p. 56.

The Socialist System of Agriculture

The place and role of socialist agriculture in the national economy.

The socialist system of agriculture is based on state (nationwide) and cooperative-collective-farm ownership of the means of production. It includes collective farms, machine and tractor stations and state farms.

Socialist agriculture plays an important role in fulfilling the main task to which socialist production is subordinated—ensuring the maximum satisfaction of the ever-growing material and cultural needs of the whole of society. It is a food base for supplying the population with foodstuffs and a raw material base for the light and food industries that produce consumer goods.

Industry is the leading principle in relation to agriculture, and agriculture supplies industry with raw materials and foodstuffs. "Socialist society is a production-consumer association of workers in industry and agriculture. If in this partnership industry is not linked to agriculture, which provides raw materials and foodstuffs and absorbs industrial products, if industry and agriculture do not, therefore, constitute a single national economic whole, then no socialism will come of it" [1].

Large-scale, highly mechanized agriculture is to a large extent dependent on the industry that produces tractors, combines and other agricultural machines, spare parts for them, fuel, mineral fertilizers, pest control chemicals, etc. A steady advance of socialist agriculture can be ensured only on the basis of a rapid growth in the production of the means of production supplied for agriculture by socialist industry.

At the same time, the development of industry and other branches of the national economy depends on a continuous, rapid rise in agricultural production. The improvement of the well-being of the people, the growth of the urban population require an increase in the production of grain, meat, milk, potatoes, vegetables, and other

agricultural products. An expansion of the output of industrial goods is possible only on the basis of an increasing production of agricultural raw materials for light and food industries: cotton, flax, wool, sugar beet, oilseeds, etc.

The socialist system of agriculture ensures a continuous increase in the productivity of agricultural production and an increase in its marketability. Labor productivity in socialist agriculture is 3 times higher than in pre-revolutionary agriculture, which testifies to the great advantages of collective farm and state farm production.

Marketable agricultural output from 1926/27 to 1952/53 increased: for grain - from 10.3 million to 40.4 million tons, for potatoes - from 3 million to 12.5 million tons, for meat (in live weight) - from 2.4 million to 5 million tons, for milk - from 4.3 million to 13.2 million tons. Major successes have been achieved in the production of cotton, sugar beets and some other industrial crops.

The level of agricultural production reached in the USSR does not yet satisfy the constantly growing needs of the population for foodstuffs and for light industry, for agricultural raw materials. This level does not correspond to the high technical equipment of agriculture and the possibilities inherent in the socialist system of agriculture.

The Communist Party and the Soviet state consistently pursued a policy of developing heavy industry in every possible way as a necessary condition for the successful development of all branches of the national economy. The main funds and the best personnel were directed to the solution of this priority national economic task. At the same time, it was not possible to ensure the simultaneous development at high rates of both heavy industry and agriculture. The result was a well-known discrepancy between industry and agriculture. Agriculture lagged behind industry. Grain farming, animal husbandry, the production of potatoes and vegetables lag behind especially strongly.

The major successes achieved in the development of heavy industry allowed the Communist Party and the Soviet government in 1953-1954. to start implementing a broad program of a steep rise in all branches of agricultural production.

“The most urgent and most important national economic task at this stage is to further develop heavy industry in every possible way, to achieve a sharp rise in all branches of agriculture and within two to three years to sharply increase the provision of the entire population of our country with food products and at the same time provide the entire mass of the collective farm peasantry with a higher level of material well-being” [2] .

In order to meet all the needs of the population in a variety of foodstuffs and to widely develop various branches of light industry, it is necessary not only to rapidly increase agricultural production as a whole, but also to improve its structure (increasing the share of animal husbandry, high-value crops, etc.).

In this regard, an increase in grain production is of particular importance. Grain farming is the basis of all agricultural production. In order to solve the problem of animal husbandry in the shortest possible time, it is necessary to provide the entire livestock with grain fodder: corn, barley, and oats. The expansion of the production of cotton, flax, sugar beet, sunflower and other industrial crops requires the provision of bread for the people involved in the production of these crops. Thus, the development of all branches of agriculture in one way or another depends on the growth of grain production.

Achieving a high level of agricultural production presupposes the all-round development of animal husbandry, which plays an enormous role in raising people's consumption. The higher the well-being of the people, the more meat, fats, milk, and dairy products occupy in consumption. Therefore, a rapid rise in animal husbandry is of vital importance for improving the consumption pattern. The main way to solve the livestock problem has been and remains the way of developing socialized collective farm and state farm animal

husbandry: creating a solid fodder base, providing livestock with good cattle yards, extensive mechanization of work in animal husbandry, improving the quality of livestock, breeding new highly productive breeds of agricultural animals in order to increase the number of livestock on this basis. livestock and at the same time dramatically increase its productivity.

The all-round satisfaction of the population's needs for food and the improvement of the nutritional structure require the further development of all other branches of agriculture: potato growing, vegetable growing, horticulture, viticulture, etc. Socialist agriculture has great and far from being used opportunities for create an abundance of agricultural products in the country.

One of the most important conditions for the development of all branches of agricultural production is the fullest and most comprehensive use of land. as the main means of production in agriculture. Under the dominance of private ownership of land, the peasant spends years saving money and going into debt to buy a piece of land. Kolkhozes and state farms based on nationalized land are relieved of the need to spend money unproductively on the purchase and lease of land. The land occupied by collective farms is assigned to them for free and indefinite use. The collective farms actually dispose of this land as their own property, with the only restriction that they cannot sell or lease it. Public. Ownership of land is an important factor in making agricultural production cheaper and steadily improving the material situation of the Soviet peasantry.

In pre-revolutionary Russia, the poor and middle peasants had about 135 million hectares of agricultural land. As a result of the October Socialist Revolution and the victory of the collective-farm system, the collective-farm peasantry already in 1937 had more than 370 million hectares of agricultural land in its possession, that is, almost 3 times more. At present, taking into account the collective farms of the western regions of the Ukrainian SSR and the Byelorussian SSR, the western regions of the Moldavian SSR and the Baltic Soviet republics, the collective farm peasantry has .397 million hectares of agricultural

land in its use, and in total, taking into account forests and other lands not yet used for agriculture, Collective farms have secured 578 million hectares of land for perpetual use.

State farms have about 70 million hectares of agricultural land, subsidiary plots of enterprises and institutions and other land users - more than 19 million hectares of land.

Collective farms and state farms have huge reserves of unused fertile virgin and fallow lands. The development of these lands opens up the possibility of significantly increasing the production of agricultural products in the shortest possible time.

The national economic need to increase the production of grain and other agricultural products required large-scale national work for the most complete development of the country's land resources. In accordance with the decisions of the February-March Plenum of the Central Committee of the CPSU (1954) "On the further increase in grain production in the country and on the development of virgin and fallow lands" and subsequent decisions of the Communist Party and the Soviet state, a grandiose program for the development of virgin and fallow lands was adopted, mainly in the eastern regions of the country, so that the sown area of grain and other agricultural crops on newly developed lands would reach 28-30 million hectares in 1956. The successful fulfillment of this nationwide task made it possible already in 1954 to develop about 15 million hectares of highly fertile virgin and fallow lands on collective farms and state farms.

Large tracts of land assigned to each collective farm and state farm make it possible to use tractors, combines and other complex agricultural machines most productively, introduce correct crop rotations, carry out land management, construct irrigation and drainage canals, plant forests, etc. Land, Marx pointed out, is constantly improving if handled correctly. The socialist system opens up every possibility of creating a rational system of agriculture that ensures a systematic increase in soil fertility and the highest productivity of agricultural production.

A rational system of agriculture presupposes its intensification. The intensification of agriculture means the additional investment of means of production on a given land area and the improvement of farming methods in order to get the maximum amount of production from each hectare of agricultural land. Intensification involves the use of artificial and organic fertilizers, the breeding of highly productive livestock breeds, the introduction into production of the latest achievements of agronomic and zootechnical science, etc. The creation of an abundance of agricultural products requires an all-round increase in the yield of all agricultural crops, an increase in the number of livestock with a simultaneous increase in its productivity. This is the main line of development of socialist agriculture.

Increasing the yield of agricultural crops is possible only through the application of a set of agrotechnical measures that take into account the conditions and requirements for the cultivation of each crop, the soil, and climatic features of each zone of the country. The stereotyped, universal application of the same agrotechnical methods can only slow down the development of the productive forces of agriculture.

The February-March Plenum of the Central Committee of the CPSU (1954) condemned the stereotyped, widespread use of grass-field crop rotations in planning practice without taking into account the characteristics of individual regions of the country, which led to a reduction in grain crops and their replacement by crops of perennial grasses, which in arid and semi-arid regions give low yields. This planning practice caused great damage to the development of the country's grain economy, weakened the fodder base of livestock. The introduction of correct crop rotations involves obtaining the largest amount of products per unit area. This requires the provision of the main crops with the best predecessors (for example, for flax - clover crops, for cotton - alfalfa crops, etc.), the selection of such crops and varieties that are most productive in the conditions of the given area.

The most important economic indicator of the results of the work of socialist agricultural enterprises is the receipt of the greatest amount

of output from each 100 hectares of agricultural land - arable land, meadows, pastures, with the lowest labor costs per unit of output. This requires the development of a diversified economy, taking into account the economic and natural conditions of each region of the country. Obtaining the greatest quantity of various agricultural products from each hectare of land is the basis for the planning of socialist agriculture.

Specialization is of progressive importance for the development of agriculture. regions and districts of the country by crops and industries. Specialization implies, firstly, the most complete use of the specific conditions of each region and region of the country for the planned production of a certain product that society needs (for example, cotton in the Central Asian republics of the USSR), and secondly, the correct combination of the main and additional sectors of the economy and, above all, agriculture and animal husbandry, grain, industrial, fodder and vegetable crops. The specialization of individual regions and districts in terms of crops and industries should provide the population of the country with an abundance of a variety of high-quality products produced under the most favorable conditions, that is, with the lowest expenditure of means of production and labor per unit of output.

Machine and tractor stations are the industrial base of collective farm production.

Collective farms are serviced by state machine and tractor stations, where the most important implements of agricultural production are concentrated.

The concentration of the most important means of agricultural production in the hands of the state is an enormous advantage of the collective-farm system. Agricultural machinery is constantly being improved. Without this, the progressive course of socialist agriculture is unthinkable. The creation of numerous more and more perfect machines requires large capital investments, which pay off in a number of years. The Soviet state is investing in agriculture significant

and ever-increasing funds that would be beyond the power of individual, even the largest, agricultural enterprises.

In 1953 alone, spending on the development of agriculture in the state budget, as well as at the expense of other state funds, amounted to 52 billion rubles. In 1954, these costs increased to 74.4 billion rubles. As part of the budget appropriations, expenses for the further strengthening of machine and tractor stations amount to 30.8 billion rubles.

The machine and tractor stations constitute the industrial material and technical basis of collective farm production and are a decisive force in the development of collective farm production, the most important strongholds in the management of collective farms by the socialist state. Through the MTS, a production link is established between industry and agriculture. In the relations between the machine and tractor stations and the collective farms, socialist relations of production are expressed between the working class and the collective farm peasantry.

Thanks to the MTS, the development of collective farms takes place on the basis of higher technology. The high level of mechanization of collective farm production is the basis for raising labor productivity on collective farms. Mechanization greatly facilitated the work of collective farmers and opened up the possibility of carrying out agricultural work within the time limits corresponding to the rules of agronomy, and applying the achievements of advanced agricultural technology. The widespread use of MTS machines in collective-farm production results in great savings in labor input for agricultural production.

By the beginning of 1953, machine and tractor stations had 80% of the total power of mechanical engines (including electric ones) located in the MTS and collective farms. In 1953, the MTS carried out more than 80% of the main field work on the collective farms, including almost all of the plowing. For the work performed by the MTS in 1953 with the help of tractors and combines, labor was expended 21.9 million

annual workers less than they would have been required to perform the same work in the conditions of individual peasant farms.

At the beginning of their activity, the machine and tractor stations served mainly the grain economy of collective farms. Then they gradually began to cover all aspects of collective farm production: the cultivation of industrial crops, animal husbandry and its fodder base, potato and vegetable growing. An extensive network of specialized machine and tractor stations has been created in relation to the production line of collective farms in certain regions of the country.

“The main task of the machine and tractor stations is to increase the productivity of all agricultural crops on collective farms, to ensure the growth of the public livestock population while increasing its productivity, to increase the gross and marketable output of agriculture and livestock in the serviced collective farms” [3] .

The most important condition for the solution of this problem is the completion of the comprehensive mechanization of all branches of collective farm production: grain farming, the production of industrial and fodder crops, potato and vegetable growing, as well as labor-intensive work on collective farm livestock farms. Socialist industry is capable of supplying agriculture with any agricultural machinery of the most perfect design. In the machine-tractor and specialized stations, qualified machine-operating cadres of permanent workers have been created: tractor drivers, foremen of tractor brigades, combine operators, drivers of other complex agricultural machines. This makes it possible to make the most complete and productive use of rich and complex agricultural machinery.

Machine and tractor stations, as large state enterprises of an industrial type serving collective farms, are called upon to be conductors of a high culture of agriculture, organizers of collective farm production. The Soviet state, through the machine and tractor stations, exercises its leading role in the organizational and economic strengthening of the collective farms. The MTS provide agronomic and zootechnical

services to the collective farms, assist them in the planning of the social economy, in the correct organization of labor, in the training of personnel, in the entire economic, political, and cultural life of the Soviet countryside. This requires qualified leadership, the ability to manage the economy on the basis of the achievements of modern agronomic and zootechnical science, generalization, and introduction into production of the experience of the leading workers of socialist agriculture.

Until 1953, the rich and complex equipment available in the MTS was entrusted to seasonal collective farmers, who were allocated by the collective farms to work in the MTS only for the time of field work. In accordance with the decisions of the September Plenum of the Central Committee of the CPSU (1953), permanent machine operators were created in the machine and tractor stations: about 1 million 250 thousand permanent workers were enrolled in the MTS staff, including 870 thousand tractor drivers, 187 thousand foremen of tractor brigades and their assistants, 24 thousand drivers of complex agricultural machines. For the training of agricultural machine operators, a network of mechanization schools was organized according to the type of factory training. More than 100,000 agronomists and livestock specialists have been sent to the MTS to serve collective farms.

The machine and tractor stations serve the collective farms on the basis of contracts concluded with them, which have the force of law for both parties. The main economic indicator of the activity of the MTS is the receipt by the collective farms, which are served by this MTS, of the largest amount of production and cash income for every 100 hectares of agricultural land.

In accordance with the contracts concluded by the MTS with the collective farms, the collective farms pay for the work performed for them by the MTS in kind - agricultural products, and for some work - in cash. payment in kind for the work of the MTS there is a part of the gross output of the collective farm, which reimburses the costs of state machine and tractor stations for the production of collective farm

products. Payment in kind embodies past labor, consisting in the spent means of production of the MTS, as well as the newly expended labor of the workers of the MTS, consisting of labor for themselves and labor for society. Rates of payment in kind for the work of machine and tractor stations are fixed, differentiated by zones of the country, depending on their economic and natural conditions. For over fulfillment of plans for the yield of agricultural crops, the MTS receive bonuses in kind from the collective farms - a certain part of the above-planned harvest.

By selling agricultural products received from collective farms as payment in kind, the state receives funds that are spent on reimbursement of costs for the means of production of the MTS, on the wages of MTS workers. Through the sale of agricultural products received as payment in kind, the state also receives net income used to expand existing, build new MTS and for other public needs.

The establishment of fixed rates of payment in kind created economic conditions for the transition of the MTS from budgetary financing to economic accounting, so that each machine and tractor station would make its own expenses depending on the income received. A further rise in collective-farm production requires a serious improvement in the work of the MTS, a fuller and more efficient use of machine technology.

The principle of the material interest of workers in the results of their labor is implemented in the MTS in special forms, different from the forms of remuneration in other state enterprises and collective farms. Permanent and seasonal workers of tractor brigades receive wages for their work in cash and in kind on the basis of piecework. At the same time, during field work, wages are calculated according to the fulfilled production standards and rates in workdays. The state, through the machine and tractor stations, pays the permanent and seasonal workers of tractor brigades a guaranteed minimum in cash and in kind (grain), the amount of which depends on the fulfillment and over fulfillment of the planned target for crop yields in the serviced collective farms.

In addition, for the workdays worked out by them, the workers of the tractor brigades receive from the collective farm where the MTS tractor brigades work the difference between the actual distribution of grain per workday and the guaranteed minimum, as well as all other agricultural products on an equal basis with the collective farmers. During out-of-field work (in repair shops, at work on the mechanization of livestock farms, at construction work in the MTS), machine and tractor stations pay their workers money wages at piece rates. Agronomists and livestock specialists of MTS, in addition to wages received from the state, when fulfilling established plans for crop yields and livestock productivity, workdays are accrued in the amount of 10-20% of the number of workdays accrued to the chairman of this collective farm for the year.

The system of remuneration of MTS workers gives them a material interest in making better use of agricultural machinery and in raising collective-farm production.

Public economy of collective farms. Kolkhoz means of production. Workday.

Freed from the need to spend large sums of money on the purchase and lease of land, as well as on the purchase of the most important instruments of production, the collective farms have the opportunity to direct their growing incomes to the development of their social economy. The social economy of the collective farm is the socialist collective economy of the peasants united in an agricultural artel. It is organized on state land and is carried out with the help of modern technology, concentrated in the MTS, and constituting public property. The artel means of production and the produce produced on the collective farms are the property of the collective farms.

Collective-farm means of production consist mainly of livestock, the simplest machines, implements, outbuildings, seeds, etc. In accordance with the nature of the agricultural artel as an enterprise of the cooperative type, the socialized means of production are included

in the indivisible fund of the collective farm. The indivisible fund of the collective farm includes: collective farm tools, working and productive livestock, buildings, vehicles, auxiliary enterprises, perennial plantations, irrigation facilities, materials and funds intended for the development of the public economy. The indivisible fund also includes buildings for cultural purposes (collective farm clubs, reading rooms, kindergartens, etc.). The constant growth of indivisible funds is the most important condition for the development of the social economy of the collective farms and for the multiplication of collective farm wealth.

The capital investments of the collective farms go into the construction of outbuildings, livestock buildings, irrigation and drainage canals, reservoirs, uprooting the land from bushes, building collective farm power stations and other structures. The capital investments of the collective farms in their public economy at the expense of the collective farms' own funds and the labor of the collective farmers, without taking into account the costs of expanding the herd, amounted for 1946-1950. about 40 billion rubles, for 1951 - 1953. - 36 billion rubles. In addition, the collective farms for 1946 - 1950. spent more than 11 billion rubles on increasing the number of social livestock and poultry, and in 1951-1953. - more than 5 billion rubles.

Collective farms, as large socialist enterprises, require planned management of the economy; they cannot exist and develop on their own accord. State planning directs the development of collective farms along the path of raising the yield of agricultural crops, increasing the number of livestock with a simultaneous increase in their productivity, and introducing the achievements of modern technology and advanced science into agriculture.

The fullest use of the advantages of a planned economy requires such planning of collective-farm production that, on the one hand, would ensure that the collective farms fulfill their obligations to the state to deliver the appropriate agricultural products, and, on the other hand, would contribute to the maximum extent to the development of self-

activity and initiative of the collective farms in expanding the production of those crops for which they have the best natural and economic conditions.

One of the decisive economic advantages of a large-scale collective farm is that it has the broadest possibilities for managing a diversified economy.

A diversified economy makes it possible to rationally use the labor force on the collective farms and to obtain the largest amount of produce from each hectare of the collective farm's public land. In collective farms that correctly combine, depending on the economic and natural conditions of individual regions of the country, the production of grain, industrial, fodder, vegetable crops, livestock breeding, the use of the labor of collective farmers throughout the year is more uniform. The funds in the diversified collective farms are also received more evenly throughout the year, which makes it possible to finance the activities carried out on the collective farms in a timely manner.

The main form of labor organization on the collective farms is a permanent production brigade created by the collective farm board to carry out work in one or another branch of the social economy.

There are production teams: field-growing, livestock-breeding, foraging, vegetable growing, horticulture, construction, and others.

The field-growing brigade is assigned land plots in the crop rotation fields of the collective farm, the size of which should ensure the highly productive use of tractors, combines and other MTS machines in all agricultural work. Each field-growing brigade is assigned working livestock, the necessary agricultural equipment, and outbuildings. Links are created within the field-growing brigade for the more productive use of manual labor in the cultivation of labor-intensive agricultural crops. The links are directly subordinate to the foreman of the field-breeding brigade. The June Plenum of the Central Committee of the CPSU (1954) recognized it as necessary, while

strengthening production teams on collective farms, at the same time to encourage the organization of units on tilled and industrial crops and to provide them with every possible assistance in obtaining high yields on fixed plots.

Livestock brigades are organized to work on collective farms. Each livestock brigade is usually assigned one farm with the premises and means of production necessary for caring for livestock.

An important condition for the most efficient use of the complex equipment of machine and tractor stations is to ensure the well-coordinated joint work of the MTS and collective farms. This is achieved by combining the work of the tractor brigade of the MTS with the permanent production teams of the collective farm. Each MTS tractor brigade serves for a number of years one or more kolkhoz brigades.

In accordance with the nature of co-operative-collective-farm property, the requirements of the economic law of distribution according to work are carried out on the collective farms by means of the workday. The workday is a measure of the expenditure of the labor of collective farmers in the social economy of the collective farm, which at the same time determines the share of each collective farmer in the collective farm income. Workdays take into account the labor expended by collective farmers in the public economy; according to workdays, the collective farm distributes among the collective farmers that part of the income which goes into personal consumption.

On the collective farms, for each job, a standard of output is established during the working day, which is available to a conscientiously working collective farmer, taking into account the condition of draft animals, machines, and the quality of the soil. In accordance with the production rate, the rate in workdays is determined depending on the required qualifications of the worker, the complexity, severity, and importance of this work for the artel. The fulfillment of the daily norm of output in relatively simple field

work is estimated at one workday. All other types of work on the collective farm are rated lower or higher than this. During a working day, a collective farmer may be credited with one workday, a part of a workday, or several workdays, in accordance with the type of work performed and the degree of fulfillment or over fulfillment of output standards. The workday is therefore different from the working day.

Types of work on the collective farm and their rates in workdays are divided into a maximum of nine groups. The first group includes the simplest jobs that do not require any qualifications from the employee. For the fulfillment of the established daily norm of output for such work, the collective farmer is credited with approximately 0.5 workdays. The ninth group includes jobs that require the highest qualifications; according to them, for the fulfillment of the daily norm of output, approximately 2.5 workdays are charged.

The state establishes approximate standards for the output of collective farmers and their rates in workdays. The board of each collective farm, in relation to local conditions, develops its own production standards and prices (but not lower than those recommended by the government), which are approved by the general meeting of collective farmers. Output quotas must be progressive, that is, equal to the advanced collective farmers. Collective farms at the beginning of the year plan the expenditure of workdays for individual branches and crops, exercise strict control over the correct calculation of workdays in accordance with the work performed by the brigade, link, and individual collective farmers.

Thus, the workday takes into account both the quantity and the quality of the labor of collective farmers in various jobs, which makes it possible to measure the various types of labor on the collective farm. Skilled labor is valued higher in workdays than unskilled, more intensive labor is higher than less intensive. The workday also makes it possible to measure the labor of different productivity in the same jobs. If the output norm is exceeded, the collective farmer is credited with a correspondingly greater number of workdays. In the workday, the labor of an individual collective farmer is expressed as a part of

the aggregate directly social labor on the collective farm. Thus, the personal labor of each collective farmer in collective farm production receives a public assessment.

Since the presence of two basic forms of socialist production gives rise to the existence of commodity production and circulation, the collective farms cannot confine themselves to accounting for the costs of producing collective farm products in terms of workdays. They manage their own financial economy: they take into account the products of collective farm production and income in monetary terms, they have monetary savings; payment for workdays on collective farms is carried out not only in kind, but also in cash.

The workday expresses the principles of equality under socialism: the liberation of all working people from exploitation, the obligation of everyone to work and the right to receive for their work in accordance with its quantity and quality. The workday ensures equal pay for male and female labor. The collective farm system put an end to the centuries-old economic inequality of the peasant woman. Only on the collective farm did the peasant woman get the opportunity to stand on an equal footing with the man.

Thus, the workday is a new economic category generated by the collective farm system.

Collective farm products. Collective farm income.

All production produced in the public economy of the artel constitutes group, cooperative-kolkhoz property. At the same time, not only the collective farms, but also the machine and tractor stations, which carry out the most important work on the collective farms, participate in the creation of collective-farm output and income. The labor of industrial workers is embodied to an ever-increasing degree in the value of collective-farm output.

The gross output of collective farms includes expenditures, firstly, of past labor embodied in the spent means of production of the MTS and

collective farms, and secondly, of the newly expended living labor of collective farmers and workers of machine and tractor stations.

As has been said, reimbursement of state expenditures on the production of collective farm products is carried out through payment in kind paid by collective farms for the work of machine and tractor stations. Thus, part of the collective-farm production in the form of payment in kind comes from the collective farms to the state without taking on a commodity form.

Collective farms replace the means of production they have spent on the production of collective farm products, mainly in kind, reproducing them in their own social economy. These means of production include: seeds, fodder for livestock, working and productive livestock, natural fertilizers, etc. Collective farms replace some of the means of production spent by purchasing them from state and cooperative organizations. Such means of production include: small implements, small engines, simple machines, artificial fertilizers, breeding stock, building materials, etc.

The labor of the collective farmers, again spent on the production of collective farm products, forms the gross income of the collective farm. Gross income is created by the labor of collective farmers for themselves and their labor for society. That part of the gross income of the collective farm, which is created by labor for themselves, expended by the collective farmers in their social economy, constitutes the personal income of the collective farmers, distributed among workdays. In addition, collective farmers receive personal income from their subsidiary plots. That part of the gross income which is created by the labor of the collective farmers for society (for the public economy of the collective farm and for society as a whole) constitutes the net income of the collective farm. The net income is used by the collective farms for socialist intra-collective farm accumulation, mainly for the development of the social economy, for social and cultural measures on the collective farms and for satisfying the needs of the collective farmers. A certain part of the net income of the collective farm, mainly through the system of procurement,

purchases, and income tax, goes to the disposal of the state, that is, it is converted into a centralized net income of the state and used for public needs (including the needs of collective farm production and collective farmers).

Collective farm incomes are divided into natural and cash. Collective farmers receive the bulk of their wages in kind (grain, vegetables, fruit, meat, milk, etc.). In kind, there is an increase in the seed, fodder funds and other social funds of the collective farms. Part of the gross output of the collective farms is marketable, that is, it is sold by the collective farms to the state and the cooperatives through the system of state procurement and purchases and directly to the population on the collective farm market.

A significant part of the marketable output of collective farms is placed at the disposal of the state in the form of state procurement of agricultural products, which include mandatory deliveries and contracting. Procurement in the order of obligatory deliveries is carried out for grain crops, livestock products, potatoes, and a number of vegetable crops; procurement in the order of contracting are carried out mainly for industrial crops.

The basis of the economic policy of the Communist Party and the Soviet state in state procurements and purchases of agricultural products is the consistent implementation of the principle of the material interest of collective farms and collective farmers in increasing the production of agricultural products. This is achieved by establishing firm regional norms for obligatory deliveries, as well as procurement and purchase prices, which ensure the reimbursement of the costs of producing agricultural products and the growth of collective farm cash incomes.

State procurement in the form of obligatory deliveries of agricultural products by collective farms is carried out on the basis of the hectare principle, that is, in accordance with the amount of land assigned to the collective farm. Each collective farm is obliged to sell to the state, in the order of obligatory deliveries, a certain amount of field crop

products per hectare of arable land, and livestock products - per hectare of land. Per hectare norms of obligatory deliveries are constant. The progressive significance of this procedure for compulsory deliveries of agricultural products lies in the fact that it increases the interest of the collective farmers in the development of communal field crops and animal husbandry, in the fullest possible use of the communal lands of the collective farm.

With firm, constant norms of obligatory deliveries, the collective farms, which have achieved a higher yield of agricultural crops and the productivity of animal husbandry, and are making the most productive use of public land, have full confidence that, after fulfilling their obligations to the state, they can freely, at their own discretion, dispose of all collective farm products.

In accordance with the decisions of the September Plenum of the Central Committee of the CPSU (1953) and subsequent decisions of the Communist Party and the Soviet state, the wrong practice in procurement was eliminated, when higher norms of mandatory deliveries were established for advanced collective farms, which reduced the material interest of collective farms and collective farmers in increasing food production. Norms of obligatory deliveries to the state for a number of agricultural products have also been reduced. New firm regional norms for these deliveries have been established, which cannot be increased by local organizations.

Compulsory deliveries of agricultural products by collective farms to the state are not a tax in the economic sense of the word since the state pays for these products. The Soviet state establishes fixed procurement prices in a planned manner. for agricultural products coming in the order of centralized procurement. When planning these prices, the state takes into account the value of this or that agricultural product, the importance of this product for the national economy, and the economic profitability of its production for the collective farm. At the same time, procurement prices are set at a level that ensures that part of the net income of collective farms enters the state fund to meet national needs. State revenues from the sale of products obtained

through procurement are used for public needs: for the development of a socialist industry that supplies agriculture with machinery, fertilizers, for education, health care, etc. For a number of agricultural products, the state issues cash bonuses in addition to the procurement price. , organizes the counter sale of bread, industrial and food products. Moreover, some of them are sold at preferential state prices, lower than usual.

In addition to obligatory deliveries and contracting, the state procures agricultural products from collective farms and collective farmers through state purchases at purchase prices that are significantly higher than procurement prices. When purchasing agricultural products, the state carries out a counter sale to collective farms and collective farmers of industrial goods for household purposes.

Finally, the collective farms sell a certain part of their marketable output on the collective farm market at prices that are determined on this market under the influence of supply and demand.

State procurement and purchases of agricultural products are the most important source of cash income for the collective farms, which are used to replenish the indivisible fund, to pay for the workdays of collective farmers, and for other purposes.

In the system of economic measures to increase the material interest of collective farms and collective farmers in the development of collective farm production, the question of the level of procurement and purchase prices is of great importance. Thus, at the September Plenum of the Central Committee of the CPSU, it was established that the previous level of procurement and purchase prices for a number of agricultural products did not encourage collective farms and collective farmers to increase their production. There was an objective need to raise these prices in accordance with the requirements of the law of value.

In order to strengthen the personal material interest of the collective farmers in the further advancement of agriculture, by the decision of

the September Plenum of the Central Committee of the CPSU, procurement and purchase prices were significantly increased, the norms of obligatory deliveries were reduced and the share of purchases at higher purchase prices was increased, and the amount of agricultural tax from the personal subsidiary plots of collective farmers was reduced. As a result, the additional cash income of collective farms and collective farmers in 1953 amounted to 13 billion rubles, and in 1954 - at least 24 billion rubles. In connection with the reduction in the obligatory deliveries of agricultural products, collective farms and collective farmers have the opportunity to sell a significant part of marketable products to the state at higher purchase prices.

But raising procurement and purchase prices is not the main means of increasing collective-farm incomes. The main way for a further powerful advance in all branches of agriculture is to raise the level of collective-farm production, increase gross and marketable output, and reduce costs per unit of output. As a result, at a given level of procurement and purchase prices, all branches of collective farm production will bring high incomes.

The amount of in-kind and cash income varies on individual collective farms and is primarily determined by the level of labor productivity achieved. The productivity of labor on collective farms depends on various economic conditions. The main ones are: the mechanization of collective farm production, additional investments of means of production and labor of the collective farms themselves on the same land area, advanced training, and the correct organization of labor of collective farmers and MTS workers, the development of socialist competition in collective farms and MTS, the introduction of the latest achievements in agronomic, zootechnical science and agricultural leaders into collective farm production.

Differential rent under socialism.

Collective farms have economic and natural conditions for the formation of differential rent.

The existence of differential rent on the collective farms is connected primarily with the existence of collective farm property and commodity production under socialism. The lands of the collective farms differ from each other in terms of fertility, location, and the degree of productivity of their use, which is connected mainly with the mechanization of agriculture. Since the best land is limited, socialist society is compelled to cultivate even the worst plots of land in order to satisfy its needs for agricultural products. The labor of collective farmers employed under different conditions of production has different productivity. Collective farms with different levels of labor productivity receive a different amount of agricultural products per hectare. This means that they spend an unequal amount of labor per unit of output.

Collective farms employing their labor on the best lands, under more favorable production and marketing conditions, create additional income in comparison with collective farms working on the worst lands, under less favorable conditions. This income in its natural form consists of a variety of agricultural products: grain, cotton, meat, milk, wool, etc. One part of this additional income is spent in kind, the other part is realized in cash.

Since all the output produced by the collective farms is collective farm property, additional income resulting from higher labor productivity, for example, on better, more fertile plots of land, also becomes the property of individual collective farms.

Additional incomes of collective farms realized in the form of money are connected with the peculiarities of pricing in agriculture. The entire additional income created on the collective farm and expressed in monetary terms is the difference between the social production costs (or social value) of the agricultural product and the individual production costs (or individual value) of the agricultural product. To what extent this difference is realized by the collective farms depends on the price level.

The limited availability of the best land cannot but affect the level of prices for agricultural products. Price planning takes into account the need to ensure the profitability of cultivating one or another crop not only under the best, but also under the worst production conditions.

The products produced on the collective farms under different conditions of labor productivity are sold by them at the same procurement and purchase price for the given zone, or at the same price on the collective farm market. As a result, collective farms with higher labor productivity receive additional cash income.

The differential rent of the collective farms is the additional net income in kind or money, realized by the collective farms, having better or more conveniently located plots of land, as well as using land more productively than collective farms using inferior plots of land, more remote lands, or using land less productively.

Differential rent under socialism is fundamentally different from differential rent under capitalism. It is not the fruit of exploitation, but is the result of the collective labor of collective farmers working for themselves, for their own public economy, as well as the result of the labor of MTS workers serving the collective farms. Under socialism, it does not take the form of land rent and goes not to the class of large landowners, but to the collective farms, collective farmers, and the partially socialist state.

Two forms of differential rent should be distinguished - the first and the second.

Differential rent I is the additional net income generated by the collective farms to which the best land is assigned, as well as by the collective farms located closer to the points of sale of products. Other things being equal, with the same level of mechanization, with the same system of farming, the collective farms that apply their labor on the best lands receive more output from each hectare than the collective farms located on the worst lands. As a result of the higher

productivity of labor on the collective farms located on better land, these collective farms also receive higher incomes.

Collective farms located closer to railway stations, wharfs, procurement centers, cities, and other points of sale of products spend less labor and money on transporting products. As a result, the cost of producing a unit of output on these collective farms is lower than on collective farms located far from the points of sale. Collective farms with advantages in location also receive additional income.

Differential rent II is the additional net income created on collective farms leading a more intensive social economy thanks to additional investments in the means of production and labor of collective farmers and MTS workers.

Collective farms with a higher level of mechanization, investing more labor into each hectare of land assigned to them, increasing soil fertility by carrying out land reclamation work, applying fertilizers, etc., having a large number of highly productive livestock, that is, leading more intensive farming, receive from each hectare of land has more output than collective farms with less intensive farming. As a result of the higher productivity of labor in an intensive economy, less labor is spent per unit of output and higher incomes in kind and money are obtained. This is an important incentive for the collective farms to intensify agriculture.

The predominant part of the differential rent remains on the collective farms and is used to develop their social economy, to raise the material and cultural standard of living of the collective farmers. Some part of the differential rent comes to the disposal of the state through various channels. Firstly, through MTS payment in kind, since the latter embodies the additional net income created by the labor of MTS employees, and the rates of payment in kind are differentiated by zones, and also because premiums are established for MTS over fulfillment of crop yield plans. Secondly, through the system of state procurements, since procurement prices involve the redistribution of a part of the net income of collective farms for

general state expenses, and the norms for mandatory deliveries of products by collective farms to the state are different, depending on the production conditions of individual regions. Thirdly, in some part, through the income tax from collective farms since the size of the tax depends on the amount of collective farm income.

Distribution of collective-farm production and collective-farm incomes. The growth of the welfare of the collective farm peasantry. In accordance with the peculiarities of co-operative-collective-farm ownership, collective farms have different forms of distribution of output from state enterprises.

Collective farms are an integral part of the socialist national economy. The collective-farm peasantry is vitally interested in the flourishing of the economy and culture of socialist society, in strengthening its might. The state provides the collective farms with enormous material assistance both in servicing collective-farm production and in the all-round development of the culture of the collective-farm village. Because of this, the most important task of collective farms is the timely fulfillment of their obligations to the state.

According to the Rules of the Agricultural Artel, the collective farms sell part of the harvest of agricultural crops and livestock products to the state at fixed, planned prices in the manner of mandatory deliveries and contracting. For the work performed by the MTS, the collective farms pay in kind to the state. Collective farms return money loans to the state and pay interest on them out of the cash income they receive. Collective farms also pay a small income tax and make property insurance payments. The timely and complete fulfillment by the collective farms of their obligations to the state ensures the correct combination of the interests of individual collective farms with the state, the interests of the whole people.

Collective farm public funds , which are created in kind and in cash, are of great importance for ensuring a continuous rise in collective-farm production and the growth of the living standards of the collective farmers .

Public funds intended to replace the spent collective farm means of production are formed in the form of basic seed and fodder funds. As has already been said, part of the spent means of production of the collective farms is compensated directly by the outlays of the labor of the collective farmers, and some of the means of production are bought with money.

After replacing the spent means of production, the collective farms use their remaining gross income for the formation of social accumulation and consumption funds and for distribution among the collective farmers according to workdays.

Public accumulation funds on the collective farm are formed at the expense of net income. The growth of collective-farm accumulation funds takes place primarily through annual deductions from cash income to an indivisible fund, with the exception of that part of them which is used for amortization. In addition, the sources of growth of indivisible funds are direct investments of the labor of collective farmers in the construction of outbuildings, in the manufacture of agricultural implements for the needs of the collective farm, in the construction of ponds and reservoirs, in increasing the number of social livestock, improving its quality, etc. Part of the net income goes to accumulation in kind. This includes seeds and fodder allocated to increase the seed and fodder funds in connection with the expansion of sown areas, the growth of the number of socialized livestock and the increase in its productivity, as well as insurance funds (seed and fodder), created in case of crop failure and lack of fodder.

Of great importance for raising the welfare of the collective farmers are also public consumption funds created on the collective farms at the expense of net income: a food fund in case of a crop failure; a fund for helping disabled people who temporarily lost their ability to work, needy families of military personnel, funds for the maintenance of nurseries and orphans; a cultural fund, that is, a fund spent on servicing the cultural needs of the collective farm village (training collective farm personnel, building clubs, etc.).

Payment for labor on collective farms is based on principles that ensure the personal material interest of collective farmers in increasing the production of grain, livestock products and other agricultural products.

After the fulfillment of all obligations to the state and the formation of established public funds, the collective farm distributes all other products and cash income among the members of the artel according to workdays. The income received by collective farmers on workdays is not subject to any taxes.

The income of each collective farmer, received from the social economy of the artel, depends on two quantities: 1) on the number of workdays worked out by the collective farmer, 2) on the amount of payment for the workday. The number of workdays worked during the year is determined by the work of each collective farmer. The amount of payment for a workday, that is, the amount of food and money that a collective farmer receives for one workday, depends on the work of all collective farm members. The better the collective farm works as a whole, the more successfully its social economy develops, the higher both the total amount of collective farm income and the size of that part of it that goes into distribution according to workdays. The part of the net income of the collective farm, which remains after the fulfillment of obligations to the state and the formation of established social funds, also enters the distribution according to workdays. In addition, the income of the collective farmers from the social economy is also increased at the expense of the said social consumption funds. All this creates a material interest for every collective farmer in the development of the social economy of the collective farm.

In order to implement the requirements of the economic law of distribution more consistently according to work, the collective farms have established a wage system in which the collective farmers who have achieved higher production results receive higher wages in comparison with the collective farmers who have achieved relatively lower results.

An important means of increasing the personal material interest of collective farmers in the results of their labor is additional payment for labor (in kind or in cash) for exceeding the plan established by the brigades and units in terms of crop yields and the productivity of public animal husbandry.

For example, collective farmers of field-growing brigades for over fulfillment of the yield plan on the entire area of grain crops assigned to the brigade receive as additional payment from one quarter to one half of the grain harvested by the brigade in excess of the planned harvest set for it.

It is also used to accrue to brigades and units an additional number of workdays for over fulfillment of the plan for crop yields and write off some part of the workdays for under fulfillment of this plan.

The wages of collective farmers working on collective-farm livestock farms are set depending on milk yield, wool shearing, obtaining, and rearing young animals, live weight gain of productive livestock, etc.

At the discretion of the general meeting, the collective farm may advance to collective farmers approximately 25% of the funds received from the sale of livestock and livestock products, and up to 25% of the sale of potatoes and vegetables. During the period of hay harvesting and straw collection, collective farmers and workers of tractor brigades are given up to 10% from the first cut and 20% from the second cut of the total amount of harvested hay and straw, and, in addition, 30% of the over-planned hay collection.

Thus, in the workday and in the system of distribution of collective farm incomes, the personal interests of the collective farmers find the right combination with the social interests of the collective farm. The measures taken by the Communist Party and the Soviet state to increase the material interest of the collective farms and collective farmers in the further advancement of agriculture further strengthen the alliance of the working class with the collective farm peasantry—the basis of the power of the socialist state.

The main force of the collective farms, which ensures a further steady increase in the well-being of the collective farmers and the ever more complete satisfaction of society's needs for agricultural products, is the rapid development of the social economy of the collective farms. In the agricultural artel, along with the public economy of the collective farm, which is of decisive importance, there is an auxiliary private farm of the collective farmers on the plot of land. In this way, the correct combination of the public and the personal in the artel is achieved, while the personal is subordinated to the public. Any violation of the principle of the correct combination of social and personal in the collective farms undermines the foundations of the agricultural artel, violates the foundations of the friendly alliance between the working class and the peasantry.

Cash incomes of the collective farms rose from 5.7 billion rubles in 1933 up to 20.7 billion rubles in 1940 and 49.6 billion rubles in 1953. In addition, collective farmers receive cash income from their subsidiary plots on their plots. With their money incomes received from public and personal farming, the collective farmers buy industrial goods at the planned prices of state and cooperative trade, which are systematically reduced. According to the Fifth Five-Year Plan, the monetary and natural incomes (in monetary terms) of collective farmers will increase by at least 40%.

On the basis of the collective farm system, the face of the Soviet countryside changed radically. On the site of the old village, a new village arose with public and economic buildings, power plants, schools, libraries, clubs, radio, and nurseries. The Soviet peasant is a peasant of a new type, attached to the benefits of science and culture. Numerous cadres of the Soviet intelligentsia grew up from the environment of the collective farm peasantry - engineers, doctors, agronomists, livestock specialists, teachers, organizers of large-scale socialist production. Millions of collective farmers have mastered the most advanced agricultural techniques and have become masters of high crop yields and highly productive animal husbandry.

The following facts testify to the profound cultural revolution that has engulfed the Soviet countryside. The total number of students in primary, seven-year and secondary schools in the countryside increased from 6.1 million in 1914/15 to 21.1 million in 1951/52. In all types of education, that is, including the training and advanced training of mass professions , specialists, etc., 29 million people studied in the countryside in 1952. As of January 1, 1953, there were 264,000 cultural and educational institutions in the countryside: houses of culture, rural clubs, reading huts, libraries, and film installations. In the Soviet countryside, not only is compulsory primary education implemented, but the problem of universal seven-year education is being successfully solved.

Development of state farms and ways to increase their profitability. State farms, by their socio-economic nature, represent the highest form of organization of socialist agriculture. State farms are state socialist enterprises producing grain, meat, milk, wool, and various industrial crops. All their means of production, as well as the products they produce, constitute public property.

State farms, as the largest agricultural enterprises, have the opportunity to make the most of modern agricultural machinery, apply a rational division of labor, save on outbuildings, equipment, etc. The size of state farms is determined by their production line, the economic and natural conditions of their areas , the level of technology achieved, the need for a comprehensive and productive use of each hectare of land.

The most rational are the following sizes of state farms: grain state farms with an arable area - 20-25 thousand hectares, and with significant crops of tilled crops - 15 thousand hectares, meat state farms - from 3 to 8 thousand heads of cattle, dairy state farms - up to 1 thousand heads cows, sheep -breeding state farms - up to 50 thousand heads and not more than 10 thousand heads with breeding stock, pig -breeding state farms - from 400 to 1 thousand sows. The most important economic indicator of the size of state farms within a

given production area is the amount of gross and marketable output produced on the state farm.

State farms are highly mechanized agricultural enterprises. They are equipped with the latest agricultural machinery, which makes it possible to mechanize almost all production processes, which creates the necessary conditions for achieving high labor productivity. The highest level of mechanization has been achieved in the grain economy, where all the main production processes are carried out with the help of machines. The state farms carry out comprehensive mechanization of all branches of production.

A major advantage of state farms is their high marketability. Marketable grain production in grain state farms averages about 70%. State farms supply the state with a significant amount of agricultural products.

However, the enormous potentialities of the state farms are being used completely insufficiently. There are still quite a few state farms that, as a result of bad management, wastefully use large areas of land, produce little grain, meat, milk, and other products, and run their economy at a loss. The elimination of these shortcomings, the skillful use of the advantages of state farms as highly mechanized, large socialist enterprises, will make it possible in the shortest possible time to sharply increase the production and delivery of agricultural products to the state.

In the development of socialist agriculture during the period of gradual transition from socialism to communism, the role of state farms in supplying the country with food is ever increasing.

Only in 1954 - 1955. state farms are increasing the sowing of wheat and millet by 4.3 million hectares. By developing the virgin and fallow lands and increasing the yield of grain crops, the state farms in the next 2-3 years must bring the delivery of grain to the state to at least 500 million poods a year, which is enough to supply more than 40 million people with bread.

State farms have all the necessary conditions for being highly productive, highly profitable farms, setting an example of the rational organization of agricultural production, high crop yields and livestock productivity.

The full and rational use of their land funds is of paramount importance in raising the profitability of state farms .

The most expedient main line of production for a state farm, that is, its specialization in the production of grain, meat, milk, wool, cotton, flax, beets, etc., is determined by the natural and economic conditions of the given region. Along with the main branches, the all-round development of additional and subsidiary branches is required: vegetable growing, horticulture, viticulture, poultry farming, and beekeeping. For specialized state farms, any of these industries is the main one. The degree of development of each additional and ancillary industry is determined taking into account the possibility of ensuring high marketability and profitability of these sectors of the economy.

A narrow specialization in the production of any one crop or the breeding of any one type of livestock does not make it possible to use the land productively, leads to unprofitable economy and damages the state. Diversified, diversified state farm production, while maintaining specialization in the main industry, ensures the receipt of the largest amount of agricultural products from each hectare of arable land, meadows, and pastures.

An increase in the production of gross and marketable products from each hectare of agricultural land means a decrease in the cost of products and an increase in the profitability of the economy. State farms, being large, highly mechanized farms, can produce agricultural products with the least expenditure of labor and supply the country with them at the lowest prices. Reducing the cost of production of state farms is achieved through further mechanization of production, increasing the efficiency of using the machine and tractor fleet, introducing the achievements of agricultural science and the experience of advanced workers into all branches of state farm

production, using a set of agronomic and zootechnical measures, improving the organization of labor, observing the regime of economy. All this leads to an increase in labor productivity, expressed in the growth of crop yields and livestock productivity.

State farms operate on the basis of economic accounting. The level of profitability of a state farm is determined by the amount of net income it receives. The net income of a state farm is the difference between the prime cost and the price of the agricultural product sold by the state farm to the state or, in a certain part, sold on the market.

With a view to the material interest of state farms in the development of production, in 1954 the previously existing state subsidies to state farms were canceled and new delivery prices for grain, oilseeds and the main types of livestock products were introduced in order to ensure, on the basis of cost reduction, the possibility for each state farm to receive a net income. The output of the main branches of state farms is handed over to the state through procurement centers at a fixed delivery price. The products of auxiliary industries, including those processed on the farm, are sold by state farms directly to the consumer at state retail prices. The abolition of state subsidies to state farms and their transfer to economic accounting is the most important economic measure in the field of state farm construction, which has laid a solid foundation for the rational management of state farms.

In order to strengthen the material interest in reducing costs and increasing savings in state farms, at least 20% of the amount of net income they sell remains at the disposal of the state farm, and the rest of it goes to the centralized net income of the state.

The net income remaining at the disposal of the state farm and accumulated in cash is spent on strengthening and expanding the economy, on improving the cultural and community services for the workers of the state farm (for children's institutions, for equipping clubs, rest houses and sanatoriums, etc.). For this, special funds are formed: a fund for strengthening and expanding the economy of a state farm, an insurance fund, and a director's fund.

The development of state farm production depends to a large extent on the strengthening of socialist forms of labor organization and the consistent implementation of the socialist principle of wages according to work.

The main form of labor organization on the departments and farms of the state farm is a permanent production team. In field farming, there are tractor-field-breeding brigades, which are assigned land plots in crop rotation fields, tractors, combines and other agricultural machines, vehicles, and household equipment. As part of the brigade, special units are created for the cultivation of those agricultural crops, the production of which is poorly mechanized. On the farms of state farms, livestock brigades are created, to which livestock is assigned, the inventory necessary for caring for it, livestock buildings, etc.

The principle of the material interest of state farm workers in raising the yield of agricultural crops, the productivity of animal husbandry and the profitability of the economy is carried out through a system of piecework wages paid in cash. Cash bonuses are given for above-planned crop yields, for high rates of livestock productivity: milk yield, wool shearing, rearing and preservation of young animals, etc. Those working on combine harvesting (combiners, their assistants, tractor drivers and others), in addition to cash wages, receive wages in kind and additional natural bonuses . grain. Cash bonuses were established for executives and specialists of state farms for the fulfillment and over fulfillment of plans for production and delivery of products to the state.

The material interest of both the state farm as a whole and its individual workers in the results of labor is the most important condition for the continuous growth and improvement of state farm production.

SUMMARY

1 . The socialist system of agriculture in the form of collective farms, MTS and state farms is the highest and most progressive form of organizing agricultural production. Agriculture under socialism is

called upon to ensure the comprehensive satisfaction of the needs of the population for foodstuffs, and of industry for raw materials. An increase in labor productivity in socialist agriculture is expressed in obtaining more output from each hectare of agricultural land with less labor input per unit of output.

2. Machine and tractor stations are the industrial material and production base of collective farm production, strong points for the management of collective farms by the socialist state. The main task of the machine and tractor stations is to increase in every possible way the yield of all agricultural crops on the collective farms, to ensure the growth of the number of social livestock with a simultaneous increase in its productivity, and to increase the gross and marketable output of agriculture and animal husbandry on the serviced collective farms. The machine and tractor stations play a decisive role in the development of collective farm production.

3. The agricultural artel is the only correct form of collective farming under socialism. Collective farms, as socialist cooperative enterprises, are run by the collective labor of the collective farmers with the help of the main means of production, which are the property of the socialist state, and certain means of production, which are the property of the collective farms. In the USSR, the land occupied by collective farms has been transferred to them by the state for perpetual free use. The Soviet state allocates large funds to finance agriculture and to meet the cultural needs of the collective farm peasantry.

4. The social economy of the collective farms is the main source of growth in the wealth of the collective farms and the well-being of the collective farm peasantry. On the collective farms the requirements of the economic law of distribution according to work are carried out through the workday. The workday is a special measure of labor and consumption, engendered by the collective-farm system, which combines the personal material interest of the collective farmers with the interests of the social economy of the collective farm. Consistent implementation of the principle of personal material interest of

collective farmers in the development of collective-farm production is an important lever for the further advancement of agriculture.

5. A large collective farm provides high incomes. The additional income received from the collective farms located on the best lands, or those that use the land most productively, forms a differential rent. The differential rent of the collective farms goes to the collective farms and collective farmers, and part of it goes to the disposal of the state.

6. The output and cash income of the collective farm, in accordance with the Rules of the agricultural artel, are used to fulfill the obligations of the collective farm to the state, to create social funds and to pay the collective farmers for workdays. In accordance with the basic economic law of socialism, the collective-farm system ensures a steady increase in the material well-being and cultural standard of living of the collective-farm peasantry.

7. State farms are the largest and highly mechanized state agricultural enterprises, playing an ever-increasing role in agricultural production. State farms operate on the basis of economic accounting. The steady growth of labor productivity, the material interest of state farms and their workers in the results of labor are necessary conditions for the transformation of all state farms into exemplary, highly productive, and profitable farms.

[1] I. V. Stalin, Questions and Answers, Works, vol. 7, p. 200.

[2] N. S. Khrushchev, On measures for the further development of agriculture in the USSR. Report at the Plenum of the Central Committee of the CPSU on September 3, 1953, pp. 3 - 4.

[3] "On measures for the further development of agriculture in the USSR." Resolution of the plenum of the Central Committee of the CPSU, adopted on September 7, 1953 on the report of comrade. Khrushcheva N. S., "The CPSU in the resolutions and decisions of congresses, conferences and plenums of the Central Committee", part II, ed. 7, p. 1182.

Trade turnover under socialism

The nature and role of trade under socialism.

Trade under socialism, known in the USSR as Soviet trade, is fundamentally different in nature from capitalist trade. Soviet trade is trade without capitalists. In the USSR, goods are sold by state and cooperative enterprises and organizations, collective farms, and also, in a relatively small proportion, by collective farmers. The funds of Soviet trade enterprises are socialist property. With the establishment of the undivided dominance of socialist property in all spheres of the national economy, the conditions for the existence of such categories as commercial capital, commercial profit, and others completely disappeared in the economy of the USSR.

Trade under socialism is placed at the service of the people. She is carried out in accordance with the requirements of the basic economic law of socialism - in order to satisfy the growing needs of society to the fullest extent, in contrast to capitalist trade, which, being a function of commercial capital, is carried out for the profit of the capitalists.

In a socialist society, the bulk of the produced articles of personal consumption goes to the population through commodity circulation and trade. The majority of the income of the population is spent on the purchase of personal consumption items - food, clothing, footwear, cultural items, household, and household items. Only a relatively small proportion of articles of personal consumption is distributed directly, without the use of commodity circulation, for example, in the distribution of products in kind to collective farmers on the basis of workdays.

Through the trade system, the collective farms acquire items for production purposes - agricultural machinery, various implements, electrical equipment, fuel, building materials, automobiles, etc. Trade turnover also includes procurement and purchases by the state and the cooperatives of agricultural products from collective farms and collective farmers.

All this means that trade under socialism is the main form of distribution of consumer goods among the members of society and the satisfaction of the growing personal needs of the working people.

Soviet trade, as Lenin taught, is a form of economic bond between town and country. It is a vital link in the system of production and economic ties between state industry and collective-farm agriculture. The development of a trade link between town and countryside is a necessary condition for further strengthening the alliance between the working class and the peasantry, providing the urban and rural population with consumer goods and industry with agricultural raw materials.

Based on socialist production, Soviet trade is at the same time a necessary condition for its development and strengthening. The growth of industrial and agricultural production and the increase in the population's demand for goods are not in themselves sufficient to ensure a steady advance in the socialist economy. "In order for the economic life of the country to be in full swing, and for industry and agriculture to have an incentive to further increase their products, one more condition must be in place, namely, an expanded trade turnover between town and countryside, between districts and regions of the country, between various branches of the national economy. It is necessary that the country be covered with a rich network of trading bases, shops, shops. It is necessary that through the channels of these bases, shops, shops, goods circulate non-stop from the places of production to the consumer" [1] .

Soviet trade links socialist production with people's consumption, bringing the increasing output of industry and agriculture to consumers, and the growing demand of the population to socialist production. Under capitalism, the connection between production and consumption is carried out through the spontaneous mechanism of competition, through crises. Under socialism, thanks to the operation of the law of planned (proportional) development of the

national economy, trade is able to carry out planned coordination of production and consumption.

Soviet trade is based on the one hand, on the continuous expansion of socialist production, and on the other hand, on the steady growth of the needs, the purchasing power of the masses. The improvement in the well-being of the population, the growth of the money income of the working people, and the systematic reduction in the prices of goods create an ever-expanding demand for industrial and agricultural products. In view of this, Soviet trade does not know the difficulties inherent in the sale of goods and crises in sales inherent in capitalism.

The Soviet state and its bodies determine the volume and structure of the production of consumer goods, the sources and sizes of commodity funds, the rational routes for the movement of goods, and plan the trade network and its location. They distribute commodity resources among regions, taking into account the purchasing power of the population, the composition of its income and expenses.

From the very essence of Soviet trade follows the need for comprehensive consideration of the demand of the population, the developing tastes of consumers, national and local characteristics, climatic, seasonal conditions, etc. only in the amount, that is, in terms of value, but also in terms of a specific assortment, that is, in terms of their use values.

The correct organization of trade turnover planning presupposes a broad initiative by local Soviet bodies, local trade organizations in the matter of mobilizing commodity resources, supplying the population with them, and excludes excessive centralization in the distribution of goods.

A reduction in the proportion of centralized distribution of consumer goods and an increase in the proportion of goods distributed locally lead to a greater correspondence of the importation of goods to local demand, and increase the maneuverability and efficiency of trade

organizations. Trade is called upon to facilitate in every possible way the involvement of ever new additional local resources in trade.

The high level of purchasing power of the population in the USSR does not at all mean that sales are automatically ensured for any product. With the growth of the well-being of the masses, their needs become more and more versatile, and the demands of consumers for the quality of goods increase. Trade organizations are required to be able to quickly adapt to changes in demand, avoid mechanical distribution of goods, errors in their delivery to regions, steadily improve the culture of customer service, create convenience for customers and save their time.

The movement of goods in the country is determined by the location of production, the level and structure of consumer demand by region. In this regard, the well-coordinated work of transport is of great importance, on which the speed of commodity circulation largely depends.

The purpose of Soviet trade is to actively influence production in order to increase the output of goods in accordance with the demand of the population, to improve their quality, to expand and improve the assortment. The most important levers of influence of Soviet trade on production are: economic contracts concluded between trade and industrial organizations for the supply of products of a certain assortment and quality, the widespread use of the system of preliminary orders by trade organizations of industry, a thorough review of incoming goods and the application of sanctions for violation of the terms of the contract, up to refusal to acceptance of inferior products.

Soviet trade actively influences the formation of consumer demand, contributing to the introduction of new goods into everyday life. At the same time, it uses advertising as a means of conscientiously informing consumers about the quality and purpose of certain goods, as opposed to capitalist advertising, which pursues the goal of profit at the expense of the consumer. An important factor in the formation

of demand is the level and ratio of prices for goods sold to the population.

The division of labor between production and trade organizations and the assignment of the function of commodity circulation to trade and procurement organizations give socialist society great savings, helping to speed up the turnover of the social product and reduce the means employed in the sphere of circulation. This makes it possible to increase the funds allocated for the expansion of socialist production.

Trade and procurement organizations, in addition to the function of commodity circulation, also carry out transportation, storage, sorting, packaging of goods, which is a continuation of the production process in the sphere of circulation.

The development of trade is of great importance for ensuring the personal material interest of the working people of town and country in the results of their labor and in raising its productivity. Soviet trade is a necessary condition for the implementation of the economic law of distribution according to work: the money income of the working people is realized through Soviet trade. The satisfaction of the needs of the working people in accordance with the incomes they have received largely depends on the development of Soviet trade and on the quality of customer service.

Trade ensures the regular flow of funds to the state and collective farm sectors necessary for the resumption and expansion of production. The speed of the turnover of funds in the entire national economy largely depends on the speed of the sale of goods. Through Soviet trade, the socialist industry that produces consumer goods receives funds that compensate for the costs incurred and constitute the net income of enterprises and the centralized net income of the state. The uninterrupted sale of commodities through Soviet trade ensures the timely entry into the national fund of funds intended for use in the entire national economy. The sale by collective farms and collective farmers of their marketable products serves as a source of

their monetary income, which is used to strengthen and develop the social economy of the collective farms and to satisfy the personal needs of the collective farmers.

The development of Soviet trade, the increase in the mass of goods sold at fixed planned prices, is the most important condition for strengthening the stability of Soviet money.

With the development of socialist production, with the growth of the well-being of the population, trade expands, its structure improves - the proportion of goods of higher quality and more valuable varieties increases, and the assortment is enriched.

The volume of retail trade turnover in the USSR from 1928 to 1940 increased (in comparable prices) 2.3 times, while in the capitalist countries not only did not grow during this period, but on the eve of the Second World War it was below the level of 1929. In 1953, retail trade turnover in the USSR (in comparable prices) increased by 1.8 times against 1940, and by 1 1/2 times against 1950, while in the USA in 1953 the volume of trade turnover was at level of 1950, and in England even slightly decreased.

In 1953, more were sold to the population in state and cooperative stores than in 1940: meat and meat products - 2.5 times, fish, and fish products - 2 times, animal oils - 2.5 times, oils vegetable and other fats - almost 3 times, sugar - more than 2.5 times, fabrics - more than 2 times, including woolen fabrics - 2.5 times, silk fabrics - almost 5 times, shoes - almost 2 times, watches - 5 times, sewing machines - 6 times, bicycles - 9.6 times, radios - 11 times.

In connection with the acceleration in 1953 - 1954. the rate of development of Soviet trade, the targets of the Fifth Five-Year Plan in terms of the size of trade turnover are fulfilled in four years. From 1950 to 1955, the volume of the mass of commodities supplied to the population from the state and cooperative trading networks increased approximately two-fold.

The fundamental tasks of the gradual transition from socialism to communism require an all-round expansion of trade and the development of Soviet trade. The Communist Party and the Soviet government are carrying out a system of measures to boost Soviet trade further decisively both in town and in the countryside. The volume of trade and capital investments in trade are increasing on a large scale. Its material and technical base is being strengthened, a warehouse and trade network, especially a network of specialized stores, is being widely developed. The training of trade personnel is being expanded, the organization and planning of trade, and the system of remuneration of trade workers are being improved. All this contributes to the solution of the problem of increasing the supply of consumer goods to the urban and rural population in every possible way.

The main forms of trade under socialism.

Trade under socialism has three forms: 1) state trade, 2) cooperative trade, and 3) collective farm trade.

State trade plays a decisive role both in wholesale and retail trade in the USSR. The vast majority of the country's commodity resources, which enter Soviet trade, are concentrated in the hands of the socialist state. Trade organizations receive the bulk of their goods from state industry. After passing, as a rule, through the wholesale trade, these goods then enter the retail trade and are sold to the public.

The main source of supply of raw materials for industry that produces articles of personal consumption and the basis of the food supply for the population are state procurements and purchases of agricultural products from collective farms. A large source of food and agricultural raw materials is also the produce of state farms and payment in kind for the work of the MTS. State trade in 1953 covered 64.2% of the country's total retail trade turnover. It serves mainly the population of cities and industrial areas.

State trade in goods for personal consumption is carried out by a trading network (shops, shops, bases, etc.) of the ministries of trade of the USSR and union republics, departments of workers' supply in transport, in the coal, oil, metallurgical and other industries, a specialized trading network of some ministries, where their products are sold.

Cooperative trade is carried out by trade enterprises of consumer and industrial cooperation. Funds of cooperative organizations are the cooperative property of their members-shareholders. Cooperative trade organizations enjoy large loans from the Soviet state. Cooperative trade covered in 1953 25.4% of the total retail turnover. The vast majority of the turnover of cooperative trade falls on the share of consumer cooperation, the rest - on the share of trade cooperation. The consumer cooperative serves mainly the rural population and is the main trading organization in the countryside. In addition, the rural population buys part of the goods in the cities. Consumer cooperation is assigned a large role in the procurement and purchase of agricultural products. Consumer cooperatives are called upon to assist the collective farms and collective farmers in every possible way in the marketing of their products and thereby promote the growth of all branches of agriculture and the improvement of the material well-being of the working people.

The state and cooperative trade turnover also includes the turnover of public catering enterprises - kitchen factories, canteens, restaurants, buffets, etc., selling their products to the population. The development of public catering leads to great savings in working time in the national economy; it replaces unproductive labor in the household with more productive, socialized labor and significantly improves the living conditions of the population. Public catering frees up millions of women employed in the household to participate in socialist production and public life. Public catering makes it possible to use food resources and organize food on a scientific and hygienic basis more rationally and economically.

State and cooperative trade is an organized market directly planned by the socialist state. The organized market occupies a dominant, determining position in the trade turnover of the USSR. In addition to the organized market, the trade turnover of the USSR includes an unorganized market in the form of collective-farm trade.

Kolkhoz trade there is a form of Soviet retail trade in which collective farms and collective farmers act as sellers, selling agricultural goods to the population at prices that take shape in the market under the influence of supply and demand. Collective farmers sell on the market a certain share of the products they receive on the collective farms on workdays, or a part of the products of their household plots. Collective-farm trade is not directly planned by the state: the state does not give the collective farms and collective farmers plan assignments for the sale of their products at the collective-farm bazaars and does not set prices for the agricultural goods they sell. But collective-farm trade is under the economic influence of state and cooperative trade.

Collective-farm markets are affected to a certain extent by the influence of the market forces. With the weakening of the economic regulatory influence of the state on certain collective farm markets, speculative elements may become more active. Taking advantage of the temporary shortage of certain goods in a given market, speculative elements inflate market prices. With the growth of the marketable output of the collective farms, which comes at the disposal of the state through procurement and purchases, with the development of state farm production, with the increase in the quantity of foodstuffs in the state and cooperative networks, the state's economic influence on the unorganized market is ever more intensifying.

Collective farms and collective farmers sell part of their agricultural products on a commission basis through consumer cooperation.

Collective farm trade is an important means of stimulating agricultural production and supplying food to cities and industrial

towns, delivering to the population a significant part of such products as vegetables, potatoes, meat, dairy products, etc. The share of collective farm trade in 1953 was 10.4% total retail turnover, and about 20% for food products.

Prices and distribution costs in state and cooperative trade.

The predominance of public property in the sphere of production and in the sphere of commodity circulation provides the socialist state with the opportunity to plan prices in all branches of the national economy. In the USSR, the prices of the organized market are set in a planned manner: procurement and purchase prices for the marketable products of collective farms and collective farmers, which they sell to state and cooperative organizations; wholesale prices for industry and trade organizations; retail prices in state and cooperative trade, that is, the final prices at which the population buys consumer goods. Prices are divided into all-union (uniform for the whole country) and zone prices (differentiated by regions). Some items are subject to seasonal prices.

The systematic reduction of retail prices is one of the main means of raising the well-being of the masses. The sevenfold reduction in prices carried out since 1947 has enormously increased the purchasing power and real incomes of the working people in town and country. Price cuts are an important factor in the planned impact on demand. When prices are reduced, the importance of a particular commodity for public consumption is taken into account. Price cuts are used as a means of expanding the consumption of certain goods. The decrease in retail prices is based on a reduction in production and trade costs, as well as on an increase in the mass of goods sent by the state for sale to the population.

In the USSR, thanks to the systematic reduction of state retail prices, the quantity of goods that in 1947 cost 1,000 rubles can be bought in 1954 for 433 rubles. In the USSR in 1954, retail prices for bread and butter were 3 times lower, for meat - almost 3 times lower, and for sugar - 2.3 times lower than at the end of 1947. At the same time, in In

the United States, Britain, France and most other bourgeois countries, the prices of these commodities have risen considerably since 1947.

Goods enter the trading network at wholesale prices. Trade organizations sell these goods to the public at retail prices. The difference between the retail price and the wholesale price is the trade markup. Due to this trade margin, the costs of circulation of trade organizations are reimbursed and their net income is formed. Thus, the retail price of trade organizations is equal to the wholesale price plus the trade margin. The trade margin is usually calculated as a certain percentage discount from the retail price, and in some cases as a markup on the wholesale price. Trade margins are planned by the state, their reduction pushes trade organizations to improve their work, reduce distribution costs.

The costs of distribution in Soviet trade are the monetary expression of the costs of trade enterprises in bringing goods to consumers. The distribution costs in state and cooperative trade are planned by the state. The distribution costs include: depreciation costs (premises, inventory), costs of storage, sorting and packaging of goods, transport, wages of sales workers, etc.

There are two types of distribution costs in Soviet trade. First, there are costs associated with the continuation of the production process in the sphere of circulation (transportation, storage, packaging of goods); in contrast to capitalist trade, in Soviet trade these costs dominate. Secondly, there are costs associated with the commodity form of products (servicing the processes of purchase and sale, the costs of maintaining the monetary economy of trade enterprises, etc.). These two types of distribution costs have different sources of compensation.

The source of compensation for the first type of distribution costs is the labor of sales workers, aimed at continuing the process of production in the sphere of circulation. This labor increases the value of goods, which provides coverage for the costs of transportation, storage, packaging, and other production functions carried out by

trade organizations. The second type of distribution costs, that is, the costs associated with the commodity form of products, is reimbursed from the net income created in the production sectors. The wholesale price level of industry is set in such a way that part of the net income of industry goes to trade organizations.

Thanks to the advantages of the planned socialist economic system, the level of distribution costs, that is, the ratio of distribution costs to commodity circulation, is several times lower in the USSR than in the capitalist countries, and the level of these costs is steadily decreasing. Soviet trade is free from enormous unproductive expenditures, which constitute the lion's share of the capitalist costs of circulation and are caused by the anarchy of production, crises, competition, speculation, and colossal excesses of advertising. In a socialist society, the movement of commodity flows is planned, and production is provided with a constantly growing domestic market. All this leads to a sharp reduction in the time of circulation in the USSR, as compared with bourgeois countries, and in the number of links through which goods pass their way from production to consumer.

In contrast to capitalism, which is characterized by the accumulation of huge surplus stocks of goods, under socialism the size of stocks of goods is determined in a planned manner in accordance with the needs of trade, the need to ensure a uniform and uninterrupted flow of goods into the trading network. This makes it possible to prevent the formation of excess stocks of goods. As Soviet trade develops, the costs of circulation fall more and more.

In the USSR, on the eve of the Second World War, distribution costs in wholesale and retail trade amounted to approximately 10% of retail trade. In 1953, the costs of circulation in the state and cooperative trade of the USSR amounted to about 8% of retail trade.

Reducing distribution costs while improving the quality of customer service is an important source of savings in social labor. It creates the possibility of an additional diversion of funds to increase material production, expand trade and improve the culture of trade. The

reduction of distribution costs is carried out on the basis of the mechanization of labor processes in Soviet trade, an increase in its productivity, and the development of socialist competition among trade workers for improving the operation of the trade network and a more correct use of labor power. The Soviet state, with the help of piece-bonus forms of wages, materially stimulates the achievement of higher performance indicators by trade workers. Reducing distribution costs requires further improvement in the planning of trade turnover and the study of the demand of the population, the correct organization of the delivery of goods to the trading network, and the expansion of trade in pre-packaged goods. A major factor in reducing distribution costs is the fight against losses in trade and procurement, which is associated with the expansion of the network of warehouses, elevators, refrigeration equipment, rationalization of transportation and storage of goods. An important role in reducing distribution costs is played by a further reduction in the routes of movement of goods, a reduction in the number of links in the trade network and a more rational use of transport.

The reduction of distribution costs is inextricably linked with the strengthening of economic accounting in commercial enterprises, which requires that commercial enterprises operate profitably, that is, have a net income (profit) while strictly observing established prices. Net income of socialist trade enterprises fundamentally different from capitalist commercial profit; it is created by the labor of trade workers, free from exploitation (since their labor is a continuation of the process of material production in the sphere of circulation), as well as by workers of socialist production (part of the trade margin has its source in the sphere of material production). This income is used for national needs (through contributions to the budget), to expand the trade network, to increase the funds of trade organizations, and to improve the material and cultural conditions of Soviet trade workers.

International trade.

Foreign trade under socialism is used to better meet the growing needs of society. It serves as an additional source of resources for

developing production and improving the supply of consumer goods to the population.

Foreign trade is a monopoly of the socialist state. In the USSR, all foreign trade operations are concentrated in the hands of a special state body, the Ministry of Foreign Trade, are subordinated to the tasks of socialist construction and are carried out on the basis of state export-import plans, which form an integral part of the national economic plan. The monopoly of foreign trade is a necessary condition for the existence and development of a socialist economy.

The monopoly of foreign trade in the USSR currently performs two main functions. First, it ensures the economic independence of the country of socialism from the capitalist encirclement, protecting its national economy and domestic market from the penetration of foreign capital, from the harmful effects of economic crises and the elements of the world capitalist market. Secondly, it serves as an instrument for the economic cooperation of the USSR with the people's democracies, as a means for the Soviet Union to assist these countries in their economic development. This new function of the monopoly of foreign trade arose with the formation of the world market of the countries of the democratic camp, building their trade relations not on the basis of competitive struggle, but on the basis of fraternal mutual assistance.

The monopoly of foreign trade was a reliable defense of the economy of the USSR from the economic aggression of the imperialist countries. It played a major role in the industrialization of the national economy of the USSR, ensuring the supply of industrial enterprises with a significant number of imported machines. With the transformation of the USSR into an industrial power, the structure of its foreign trade changed significantly: industrial goods dominated Soviet exports, while agricultural raw materials dominated the exports of pre-revolutionary Russia. During the fourth and fifth five-year plans, the USSR further increased the export of heavy industry products.

In its foreign trade the Soviet Union consistently adheres to the principles of respect for the national sovereignty of all countries, full equality of arms and mutual benefit. Proceeding from the possibility of peaceful coexistence of the two systems—socialist and capitalist—the Soviet state considers the expansion of foreign trade relations as one of the most important means of drawing peoples closer together, easing international tension and strengthening the cause of peace.

Owing to the enormous growth of socialist production in the USSR and the emergence of a new world market of the democratic camp, the foreign trade turnover of the Soviet Union is steadily increasing from year to year. The foreign trade of the USSR with the countries of the democratic camp is growing rapidly. It occupies a significantly predominant place in the total foreign trade turnover of the Soviet Union. In 1952, the trade turnover with the capitalist countries amounted to $\frac{1}{5}$, and the trade turnover with the countries of the democratic camp - $\frac{4}{5}$ of the total foreign trade turnover of the USSR.

The reduction in the trade turnover of the USSR with the capitalist countries that took place in the past years was more than offset by the expansion of its trade with the people's democracies.

The Soviet Union invariably adheres to the policy of developing business economic ties with the capitalist countries on mutually beneficial terms. However, the development of trade between the USSR and the capitalist countries is hampered by a policy of discrimination pursued under pressure from aggressive US circles. The USA is pursuing a line of renouncing trade ties with the USSR and the people's democracies and is forcing all bourgeois countries dependent on them to adhere to this line. This policy fails because it causes serious damage to the interests of those states that follow it. In 1953 - 1954 in a number of bourgeois states there has been a tendency to expand trade ties with the Soviet Union and the people's democracies.

In 1953, the USSR traded with 51 foreign states, with 25 countries trading on the basis of annual and multi-year trade agreements. The

foreign trade turnover of the USSR in 1953 reached 23 billion rubles and exceeded the pre-war level by almost 4 times (in comparable prices). Along with the increase in the trade turnover of the USSR with the countries of the democratic camp, the turnover of trade with a number of countries of Western Europe, the Near and Middle East increased significantly, with a further expansion of the range of exported and imported goods.

SUMMARY

1. Trade in a socialist society is trade without capitalists and aims at the best possible satisfaction of the needs of the working people. Soviet trade is carried out according to plan, linking growing socialist production with increasing consumption by the people, town and country, branches of the national economy, and regions of the country.

2. There are two markets in the USSR: an organized market in the form of state and cooperative trade, and an unorganized market, which includes collective farm trade. The organized market is directly planned by the state. It plays a decisive role in trade. The unorganized market is not planned directly, but is economically regulated by the state.

3. Prices for goods in state and cooperative trade are established in a planned manner. Prices in the collective farm markets are formed depending on the ratio of supply and demand and are under the regulatory influence of state prices. The Soviet state is systematically reducing retail prices, which leads to a steady increase in the purchasing power of workers, office workers and peasants, and to an increase in public consumption.

4. Soviet trade is built on the principles of economic calculation and is much more economical than capitalist trade, since it is free from the enormous unproductive outlays generated under capitalism by private property, competition, and the anarchy of production.

5. Foreign trade under socialism is a state monopoly and serves the tasks of strengthening and further developing the socialist economy.

The monopoly of foreign trade in the USSR ensures the protection of the socialist economy from the penetration of foreign capital and is a means of economic cooperation between the Soviet Union and the countries of the democratic camp.

[1] J. V. Stalin, Report to the 17th Party Congress on the work of the Central Committee of the All-Union Communist Party of Bolsheviks, Works, vol. 13, pp. 340 - 341.

National Income of a Socialist Society

Aggregate social product and national income under socialism.

The total social product under socialism is the entire mass of material goods - the means of production and consumer goods produced in society during a certain time, for example, a year.

The total social product is created by the labor of workers in the branches of material production: industry, agriculture, construction, transport serving production, as well as the labor of trade workers performing operations that are a continuation of the production process in the sphere of circulation (storage, refinement, transportation, packaging of goods, etc.). Along with manual workers, mental workers (scientists, engineers, etc.) employed in the branches of material production also directly participate in the creation of material wealth.

In non-productive sectors, the total social product is not created. Workers employed in the non-productive sphere (public administration, culture, household, medical services for the population) do not produce material wealth. However, the labor of workers in non-productive branches is necessary for socialist society, for material production; it is socially useful labor. The socialist state performs the economic, organizational, and cultural educational work that is vital for society. Under socialism, the role of science in the development of technology and in the growth of production increases immeasurably. Of great importance is the labor expended on the training of qualified personnel for production. Science, education, and art satisfy the cultural needs of the working people. The branches of consumer and medical care create the conditions for the successful work of workers in a socialist society. Thus, in a socialist society, there is a mutual exchange of activity between workers in material production and workers in the non-productive sphere.

The basis of the socialist system, as well as of any other system, is production, that is, the sphere of obtaining material goods necessary for the existence and development of a socialist society. Therefore, the increase in the share of labor of workers employed in the sphere of material production by reducing the share of labor of workers employed in a number of non-productive branches is of the greatest economic importance. Thus, the expansion of the staff of the state administrative apparatus, the excesses in the number of administrative and managerial personnel in collective farms, the high level of distribution costs - all this leads to the diversion of labor resources and, above all, qualified personnel from the sphere of material production. Such a diversion of personnel from the sphere of production hinders the growth of the national income and damages the national economy.

The systematic increase in the share of labor employed in the sphere of material production, the utmost simplification and cheapening of the administrative apparatus, and the reduction of distribution costs contribute to the growth of social wealth and the creation of an abundance of products necessary for building a communist society.

Lenin considered the most important task of Soviet power to be "the systematic reduction and cheapening of the Soviet apparatus by reducing it, by better organization, by eliminating red tape, bureaucracy and reducing unproductive expenditures" [1] .

In the process of production, part of the total social product is used to replace the consumed means of production. This part of the total social product embodies the costs of past labor transferred to the product from the spent means of production. After deducting from the total social product that part of it that replaces the consumed means of production, there remains a part of the social product that constitutes the national income of society.

The national income under socialism is the part of the total social product created by the workers of socialist production, which remains

after the replacement of the consumed means of production during a given period and embodies the newly expended labor.

The national income in kind consists of the entire sum of means of consumption produced in the country, which are used to satisfy the needs of society, and that part of the means of production produced, which is used to expand socialist production in town and country.

At the same time, the national income appears in monetary form. Since commodity production exists under socialism, the national income as a whole and all its elements, no matter what physical form they have, are measured by means of value, expressed in money. Because of this, not only the entire mass of personal consumption goods, but also the part of the national income, which consists of the means of production, is expressed in money form.

Due to changes in prices, the national income is calculated not only in current, but also in comparable (constant, constant) prices, for which the prices of any particular year are taken. Determination of national income in comparable prices makes it possible to identify real changes in the volume of national income over a number of years.

Under capitalism, the national income is produced by the labor of workers who are exploited and placed at the disposal of the capitalists and landowners; they appropriate the lion's share of the national income in the form of unearned income, and only a smaller part of it goes to the working people. Under socialism, the national income is created by the labor of workers free from exploitation and belongs entirely to the working people. Socialism excludes the existence of unearned income.

The national income of a socialist society consists of a product for itself and a product for society. The product created by workers in material production for themselves is distributed among them according to their work; it is used to meet the personal needs of workers in socialist production and their families. The product created by workers in material production for society is the net

income of socialist society, used to expand production, develop culture, public health, cover the costs of public administration, etc.

Steady growth of national income under socialism.

In a socialist society there is a steady and rapid growth of the national income. This growth of the national income is the result of the continuous upswing of socialist production, which develops in accordance with the requirements of the basic economic law of socialism. The national income in a socialist society grows many times faster than in a capitalist society.

The national income of the USSR, expressed in comparable prices, in 1940 exceeded the level of 1913 by 6.1 times, in 1950 by 10 times, and in 1953 by 13 times.

For the period 1930 - 1953. the national income of the United States, expressed in comparable prices, increased 2.3 times, and the national income of the USSR, also expressed in comparable prices, during the same time grew more than 8 times, despite the enormous damage caused to the national economy by the fascist invaders in the years' war.

Under socialism, the national income grows due to two factors: 1) growth in the productivity of social labor and 2) an increase in the number of workers in production. The bulk of the increase in national income in a socialist society comes from the growth of labor productivity. For example, during the years of the fourth five-year plan, 20% of the increase in national income was obtained by increasing the number of production workers, and 80% by increasing labor productivity.

The labor productivity of workers in socialist production is rapidly increasing as a result of the introduction of the latest technology in all branches of production (including agriculture), the improvement of the organization of labor and production, the growth of the skills of workers, collective farmers and the intelligentsia, the systematic

improvement of the well-being of the working people, and the development of socialist emulation.

The growth of the productivity of social labor requires the planned and rational use of material and labor resources and, in particular, the saving of means of production. The economy of the means of production reduces that part of the total social product which is used to replace the consumed means of production. This makes it possible to raise another part of the total social product, which is the national income.

An important factor in the growth of national income is the increase in the number of workers employed in the branches of material production. In a socialist society, where, unlike capitalism, there are no exploiting classes and their numerous servants, there is no unemployment, there is no excessive diversion of labor power into the sphere of circulation, etc., a significantly larger part of the adult working population is employed in the branches of material production that create the total social product. At the same time, under socialism, the number of workers employed in the fields of science, education, art, and health care is growing. In a socialist society, all the achievements of material and spiritual culture are the property of the people, while under capitalism they constitute the monopoly of the exploiting classes.

There has been no unemployment in the USSR for a long time, and in the USA in 1950-1952. the unemployed, in terms of year-round unemployment, averaged 13% of the able-bodied population.

Of the able-bodied population working in non-manufacturing sectors in the USSR, more than half is employed in the field of culture and health care, and in the USA, one-seventh of the people working in non-manufacturing sectors are employed in the field of culture and health care.

Under socialism, the growth of the national income is the most important indicator of the improvement in the well-being of the

working people, since it is accompanied by an increase in the incomes of the workers, peasants, and intelligentsia. Under capitalism, the growth of the national income cannot serve as an indicator of the growth in the well-being of the working people, since an ever-increasing part of the national income is appropriated by the capitalists and large landowners, and the share of the working people in the national income is ever more reduced.

The volume of national income, taken in comparable prices, in the USSR in 1952 increased by 2 1/2 times in comparison with 1945, and the real wages of workers and employees increased by 2.2 times. In the USA, the volume of national income in comparable prices in 1952 increased by only 10% compared with 1945, while the real wages of workers and employees fell, while the profits of the monopolies doubled.

Distribution of national income.

The national income created in the process of socialist production is distributed and used in the final analysis for national consumption and socialist accumulation. In contrast to capitalism, under socialism "the distribution of the people's income takes place not in the interests of enriching the exploiting classes and their numerous parasitic servants, but in the interests of systematically improving the material situation of the workers and peasants and expanding socialist production in town and country" [2].

The distribution of the national income in a socialist society proceeds as follows. Initially, the national income takes on various forms of income in the sectors where it is created, that is, in the sphere of material production - in the state sector and the cooperative-collective-farm sector of the national economy.

The national income created in the state sector of the national economy falls into two main parts. One part of this income, which is a product created by the workers of material production for themselves, takes the form of the wages of workers and employees of

state production enterprises. The other part of the national income generated by the state-owned manufacturing sector is the product for society, or net income. The net income of the state production sector appears in two main forms: 1) in the form of net income of state enterprises (the so-called profits of enterprises) and 2) in the form of centralized net income of the state (the so-called turnover tax, deductions from profits, payroll for purposes of social insurance, etc.).

The national income created in the collective-farm social economy is the property of the collective farms and also consists of two main parts: one part is a product for themselves, the other part is a product for society. The product for itself, created by the labor of the collective farmers in the social economy of the collective farms, takes the form of income in kind and cash, distributed among the collective farmers according to workdays. In addition, collective farmers receive in-kind and cash income from their work in their personal, household plots. The product for society created on the collective farm is the net income of the collective farm. A part of the net income of the collective farm goes to the development of collective farm production, to the satisfaction of general collective farm needs, the material and cultural needs of the collective farmers. Another part of the net income generated in the collective farm sector is transformed through the mechanism of prices and through the income tax into the centralized net income of the state. In this way, the collective farms participate in the public expenditures of the state for the expansion of production in town and country, for the development of culture, the strengthening of the country's defense, etc.

Consequently, the total sum of the centralized net income of the state embodies not only a part of the labor for society expended by the working class, but also a part of the labor for society expended by the collective-farm peasantry.

The product created by the labor of the workers of the fishing production artels for themselves takes the form of their wages, and the product for society takes the form of the net income of the cooperative fishing enterprises. Part of this income is used to expand

production and meet the needs of members of the fishing artels. The other part, through the turnover tax and income tax, is converted into the centralized net income of the state.

Thus, in a socialist society, the formation of various forms of income received directly in the sphere of material production takes place. One part of the national income, which is the product created by the workers of production for themselves, is distributed according to labor, taking the form of the wages of workers and employees employed in production, the personal income of collective farmers, and the wages of workers in the handicraft cooperatives. The other part of the national income, which is the product created by the workers of production for society, or the net income of society, takes the form of: net income of state enterprises, net income of collective farms and cooperative enterprises, centralized net income of the state. Moreover, as it was said, a certain share of the net income of enterprises in the process of distribution of national income turns into a centralized net income of the state.

In the process of further distribution of the national income, mainly through the state budget, a part of it turns into the income of non-productive industries and the workers employed in them.

In a socialist society, the state spends large amounts of money to satisfy a number of social needs: education, health care, the maintenance of the state apparatus, the strengthening of the country's defense capability, etc. Socialist society cannot develop without accumulating from year to year, without expanding social production. Without this, it could not satisfy the growing needs of the population. From this follows the economic necessity of concentrating in the hands of the state a significant part of the national income in the form of a fund of monetary resources spent for the indicated purposes. This fund is formed almost entirely from the centralized net income of the state. Only a very small part of this fund is formed from income from the population (taxes and loans).

Part of the net income of society, spent by the state on socio-cultural needs and management, takes the form of wages of workers in

science, education, health care, as well as employees of the state apparatus and military personnel. A significant part of the cultural and everyday needs of the urban and rural population (education, health care) is satisfied free of charge, at the expense of the state. Some of the cultural and community institutions and enterprises reimburse their expenses at the expense of payment by the population for the services provided to it. The state pays pensions, allowances, stipends to the population, provides various benefits, leaves with pay, etc. This increases the real wages of workers and employees, as well as the real incomes of the peasants.

Ultimately, the entire national income of socialist society breaks up into a consumption fund and an accumulation fund.

The consumption fund is that part of the national income which is used to satisfy the growing material and cultural needs of the workers, peasants, and intelligentsia. The consumption fund is formed primarily from the product created by the labor of production workers for themselves. In addition, a significant part of the consumption fund is formed by the state, collective farms, cooperative associations at the expense of the product for society, spent on social and cultural needs. The increase in the consumption fund is the basis for the growth of the working people's income.

The incomes of the workers, peasants and intelligentsia under socialism grow steadily and rapidly for the following reasons: 1) the continuous expansion of production makes it possible to draw additional workers from the growing population into it every year, which is accompanied by an increase in the total income of the working people; 2) the average earnings of workers and employees and the average income of collective farmers increase annually; 3) allocations from the state budget for culture, education and health care are increased; 4) the funds received by the working people in the form of payments for social insurance, social security, etc. increase. At the same time, the real incomes of the working people in a socialist society grow even faster than the nominal (monetary) ones since the state systematically lowers the prices of consumer goods .

The source of the steady rise in the material and cultural standard of living of the working people is the rapid and uninterrupted growth of production. To ensure such an increase in production, it is necessary to turn part of the national income into the accumulation fund.

The accumulation fund is a part of the national income of socialist society used to expand and improve socialist production in town and countryside, to increase non-productive funds for cultural and household purposes, including the housing stock, and also to create reserves. The accumulation fund thus provides the material conditions for the growth and improvement of socialist production on the basis of higher technology and for the further improvement of the well-being of the people.

To satisfy their personal material and cultural needs, both at the expense of a product for themselves and at the expense of a product for society, the working people of the USSR receive about three-quarters of the national income. The rest of the national income is used for socialist accumulation in town and country.

SUMMARY

1. The national income of a socialist society is that part of the total social product in which the newly expended labor of the workers, peasants and intelligentsia engaged in production is embodied. Unlike capitalism, the entire national income under socialism belongs to the working people.

2. The national income under socialism grows much faster than under capitalism, since socialism is freed from the anarchy of production, wastefulness, and economic crises inherent in capitalism and ensures the planned and rational use of material and labor resources. The growth of the national income is achieved, firstly, by increasing the productivity of social labor, and secondly, by increasing the number of workers employed in the branches of material production.

3. The distribution of the national income takes place in accordance with the requirements of the basic economic law of socialism and leads to a rapid increase in the incomes of the working class, peasantry, and intelligentsia. One of the important factors in the growth of working people's incomes is the expenditures of the state, collective farms, cooperative associations, and public organizations for the social and cultural needs of the population. The growth of the national income under socialism is one of the main indicators of the improvement in the well-being of the working people.

4. The national income of socialist society is divided into a consumption fund, which is used to meet the continuously growing material and cultural needs of the people, and an accumulation fund, which creates material conditions for the rapid growth and improvement of socialist production on the basis of higher technology.

[1] V. I. Lenin, Works, vol. 33, p. 406.

[2] I. V. Stalin, Political Report of the Central Committee to the 16th Congress of the All-Union Communist Party of Bolsheviks, Works, vol. 12, p. 321.

State budget, credit, and money circulation under socialism

The financial system of socialism.

The existence of commodity production and commodity circulation under socialism leads to the fact that the output of all socialist enterprises is expressed not only in kind, but also in monetary (value) form. Socialist enterprises, both state and cooperative-collective farm, receive money for their products, which they use to compensate for the costs incurred (depreciation, purchase of raw materials, fuel, materials, wages, etc.) and to expand production. Thus, certain funds of monetary resources are formed and spent in socialist enterprises. This constitutes the financial side of the economic activity of socialist enterprises.

Part of the funds of enterprises goes to the national fund, distributed in a centralized manner to meet public needs, for the development of the national economy and culture.

Temporarily free funds of enterprises are mobilized and used centrally through credit authorities.

All this means that under socialism there is an extensive financial system. The financial system of socialism is a system of planned formation and distribution of funds of monetary resources in the socialist national economy. It includes the state budget, credit, state social insurance, state property and personal insurance, financial management of state enterprises, collective farms, and trade cooperatives.

The material basis of the financial system is socialist production. The financial system is based on the growth of industrial and agricultural output and on the expansion of trade.

With the help of the financial system, the total social product in monetary form is distributed among the sectors of socialist production, between branches and enterprises, between society as a

whole and its members. At the same time, the financial system is called upon to ensure the most rational use of the resources of the socialist economy in the interests of the continuous growth of production, the steady rise in the material and cultural standard of living of the people, and the strengthening of the might of the socialist state. Through the financial system, the socialist state exercises control over the entire economic activity of enterprises and branches of the economy with the ruble. The financial system helps to strengthen the regime of economy, cost accounting and financial discipline in the national economy.

The budget of the socialist state.

The leading place in the financial system of socialism is occupied by the state budget. The state budget under socialism is the main form of planned formation and use of a centralized fund of monetary resources in order to meet the growing needs of the whole of society. The state budget has a revenue part, consisting of funds received at the centralized disposal of the state, and an expenditure part, which provides for the use of these funds for the needs of society. A significant part of the national income is distributed through the state budget.

The state budget is the main financial plan, which is a reflection of the national economic plan. With the help of the budget, the socialist state mobilizes the money resources of the national economy and distributes them among enterprises and sectors, depending on the plan targets and the course of their fulfillment.

The state budget is based on the development of the entire socialist national economy. First of all, it is inextricably linked with the financial economy, income, and expenditure of state enterprises. The predominant part of the net income of society, created in these enterprises, goes to the state budget. Capital construction in all branches of the national economy and the growth of the fixed and circulating assets of state enterprises are provided to a large extent at the expense of the budget. The relationship between the state budget

and collective farms is of great importance. Part of the net income of the collective farms goes to the budget and is used for public needs. The state through the budget provides financial assistance to the collective farm sector in the development of production, maintains schools, hospitals and other social and cultural institutions serving collective farmers.

The revenue part of the state budget of the USSR has as its main source the net income of society, namely that part of it which represents the centralized net income of the state. In 1953, receipts from the net income of society (receipts from the socialist economy) amounted to 85% of all budget revenues.

The centralized net income of the state enters the state budget in the form of the so-called turnover tax, deductions from the net income (profits) of state enterprises, payroll for social insurance needs, income tax from collective farms and other cooperative enterprises, etc. The first two types of receipts constitute the predominant part of all revenues of the state budget of the USSR.

One of the sources of state budget revenues is also the funds of the population coming to the budget in the form of taxes and loans. Taxes from the population are a form of mandatory transfer to the budget of a part of the personal income of members of society. In contrast to capitalism, in a socialist society, taxes from the population constitute only a very small part of the working people's income and are used for public needs. Tax payments of the population in 1953 amounted to only 8.5% of all revenues of the state budget of the USSR. All kinds of payments and benefits received by the population from the budget, several times cover the amount of taxes from the population. Thus, in 1953, the working people of the USSR received three times more from the state budget than they contributed to the budget in the form of taxes, dues, and also by subscription to a loan.

In the USSR, part of the working people is completely exempted from paying taxes, and tax rates depend on the amount of income. The agricultural tax on the peasants in 1954 was less than 1% of state

budget revenues; in 1954, the amount of taxation of the rural population was reduced in comparison with 1952 by more than 2.5 times.

State loans in a socialist society are a form of attraction by the state of funds from the population for the needs of the whole society with an obligation to return these funds after a certain period. By subscribing to the loan, the working people voluntarily transfer to the state for temporary use a part of their personal income. At the same time, loans are a form of savings for workers and bring income to the population in the form of winnings and interest. In the state budget of the USSR, revenues from this source in 1954 amounted to 3% of all revenues.

The expenditure part of the budget is state financing, that is, the irrevocable issuance of funds, for the following main purposes: 1) development of the national economy, 2) social and cultural activities, 3) ensuring the defense capability of the state and 4) maintenance of government bodies. The bulk of the funds from the state budget of the USSR go to finance the national economy and social and cultural measures. More than two-thirds of all expenditures of the state budget of the USSR are allocated for these purposes in the post-war years.

Budget financing is one of the largest factors in the development of the economy of the Soviet Union. For 1946 - 1953 State budget expenditures on the national economy amounted to about 1,248 billion rubles. Budget funds are used to develop heavy industry, to expand the production of consumer goods, and to advance agriculture. The socialist state annually spends huge budget funds on capital investments in all branches of the economy. The state budget of the USSR finances the extensive capital construction of new plants, mines, factories, power plants, state farms, MTS, railways, public utilities, housing, schools, hospitals, sanatoriums, etc. Part of the budget resources goes to increase the working capital of existing enterprises over the amounts left for this purpose from the net income of the enterprises themselves. At the expense of budget funds, state

material reserves are created, which are necessary for the planned management of the national economy and for the needs of the country's defense.

A significant proportion of budget funds is spent on social and cultural activities, which serves as an important source of systematic improvement in the material and cultural standard of living of the people. For this purpose, funds are allocated from the budget for the development of science, education, health care, physical culture, pensions, and benefits, etc.

In the five post-war years alone (1946-1950), the Soviet state spent 524.5 billion rubles of budget funds on social and cultural events, and 371 billion rubles in the three years of the fifth five-year plan.

Part of the budget funds in a socialist society is spent on the maintenance of the state apparatus, which carries out many-sided activities in the field of economic and cultural development. The implementation of a regime of economy in the interests of expanding production and meeting the growing needs of the people requires the utmost reduction in the cost of the administrative and managerial apparatus. Proceeding from this, the socialist state is consistently pursuing a line of rationalizing the administrative and managerial apparatus and reducing the cost of maintaining it.

In the USSR in 1932, the cost of maintaining government bodies accounted for 4.2% of all budget funds, in 1940 - 3.9, in 1953 - 2.8%. Part of the budget is spent on strengthening the country's defense. In the Soviet Union, which is consistently pursuing a policy of peace, expenditures on the Armed Forces make up a comparatively small share of the budget. According to the 1954 budget, 17.8% of the total budget expenditures are provided for these purposes, while in the USA military expenditures in 1953/54 exceed 70% of the total budget.

Fulfillment of the budget is directly dependent on the course of output, the sale of commodities, the reduction in production and distribution costs, and the growth of accumulations, and,

consequently, on the extent to which the national economy uses internal production reserves and applies economic accounting.

In the course of executing the budget, the financial bodies are called upon to exercise control in the ruble over the fulfillment of economic plans, observance of the austerity regime and financial discipline in the national economy. This control is carried out both when establishing the amount of deductions to the budget, and when checking the fulfillment of obligations to the budget. Financial authorities analyze the economic activity of enterprises and organizations, reveal their shortcomings, check how the safety of public funds is ensured and the correctness of their spending, what is the state of accounting and financial reporting of enterprises, and fight excesses in the use of resources. At the same time, funds are often issued to economic organizations depending on the quality of their work.

The state budget of the USSR includes: 1) the all-union budget and 2) the state budgets of the union republics, which in turn consist of: a) republican budgets and b) local budgets. The leading place in the entire budgetary system is occupied by the all-Union budget, which concentrates the bulk of budgetary resources. Such a construction of the budget makes it possible to implement the principles of democratic centralism and a correct national policy in a multinational socialist state. The state budget of the USSR is drawn up for a year and approved as a law by the Supreme Soviet of the USSR. The budgets of the Union republics are approved by the Supreme Soviets of these republics.

Thus, under socialism, the essence of the state budget has changed radically. The budgets of the capitalist states are an instrument for the additional exploitation of the working masses, for the enrichment of the monopolies, and are used for the militarization of the economy, the arms race, and the maintenance of the parasitic state apparatus of the bourgeoisie. In accordance with the basic economic law of socialism, the budget of a socialist state is aimed at satisfying the growing material and cultural needs of the whole of society and

serves as a powerful factor in boosting the peace economy and the growth of productive forces. "Incomes squeezed by the exploiters from people's labor now remain in the hands of the working people and are used partly to expand production and attract new detachments of working people into production, partly to directly increase the incomes of workers and peasants." [1]

The state budget in a socialist society grows systematically on the basis of the steady advance of the national economy. The rapid and uninterrupted growth of the national income under socialism leads to a steady increase in that part of it which goes to the state budget. Thus, the revenues of the state budget of the USSR in 1954 were more than three times higher than the revenues of the budget of the pre-war 1940. The state budget of the USSR is stable and durable. The budgets of capitalist countries are, as a rule, in deficit. The budget of the USSR is not only deficit-free, but is constantly carried out with a significant excess of revenues over expenditures.

The centralized distribution of funds in a certain part is carried out through the systems of state social insurance and state property and personal insurance.

State social insurance there is a form of material support for workers, employees, and members of their families in the event of temporary or permanent disability. It includes the provision of free medical care, the maintenance of rest homes, sanatoriums, hospitals, etc. Social insurance for workers and employees in the USSR is carried out by trade union bodies at the expense of the state or the corresponding cooperative organizations. The source of social insurance funds is the net income of society, which is in the form of contributions from enterprises, organizations, and institutions, calculated as a certain percentage of the total wages of workers and employees (payroll). State social insurance funds, both in income and expenditure, are included in the state budget and are spent by trade unions. Social security spending is steadily and rapidly rising. In 1953, the amount of these expenditures exceeded the level of 1940 by almost 2.6 times.

State property and personal insurance is a form of compensation and prevention of losses incurred by citizens, enterprises and organizations from natural disasters and accidents. Property and personal insurance in the USSR is a state monopoly and is carried out by insurance agencies mainly for the population, collective farms, and cooperative farms. The main source of funds for insurance are insurance payments of the population, enterprises, and organizations.

Credit under socialism.

Credit is one of the essential economic instruments of a socialist society. The existence of credit is due to the fact that, on the one hand, temporarily free funds are formed in the national economy, and on the other, there arises a temporary need for additional funds by socialist enterprises.

This is caused primarily by the fact that in the process of circulation of funds of socialist enterprises, the timing of the receipt of cash proceeds from the sale of products and the timing of cash outlays for production needs do not coincide. Part of the funds of enterprises is constantly in the form of money, but is spent at certain intervals. As products are sold, funds are accumulated for the purchase of raw materials, fuel, the stocks of which are renewed periodically. The wage fund is constantly accumulated as products are sold, and wages are usually paid twice a month. The depreciation fund is systematically accumulated in cash, and is spent on the purchase of new machinery, equipment, construction of buildings or their overhaul only at certain intervals. The net income of enterprises is used for the purposes of capital construction after a sufficient amount has been accumulated for this purpose. Thus, state-owned enterprises have temporarily free cash. Temporarily free funds are also available on the collective farms in the form of deductions from cash income to indivisible funds of amounts intended for future spending, money income not yet distributed among the collective farmers, etc. In the course of budget execution, temporarily free funds appear in the form of an excess of income over expenditures, balances on current accounts of budgetary institutions and special budget funds.

The growth of working people's incomes is also accompanied by the formation of more and more significant free funds.

At the same time, socialist enterprises and economic organizations periodically have a temporary need for funds, for example, for seasonal expenses, procurement of raw materials, etc. Thus, an economic need arises for credit.

Credit under socialism is a form of mobilization by the state of temporarily free funds and their planned use, on terms of repayment, to meet the national economic needs. In contrast to capitalism, there is no loan capital in the socialist economy; the vast majority of the funds entering the credit system are the public property of enterprises, and the rest - the personal property of workers. These funds are used to serve socialist enterprises and the working masses. Credit under socialism is carried out in a planned manner. Its size, sources and direction are determined by the credit plan.

Temporarily free funds are mobilized in socialist society by state credit institutions: banks and savings banks. Thus, enterprises that are on the economic account are required to keep their funds on a current account in the State Bank. Collective farm funds are placed in current accounts at the State Bank or in savings banks. The monetary accumulations of socialist enterprises are also concentrated in special banks (for example, deductions from state enterprises for new construction, indivisible funds of collective farms, etc.). The State Bank stores free funds of the budget, there are funds of state institutions, trade unions, insurance, etc.

The credit provided by banks is divided into short-term and long-term: short-term credit serves the movement of working capital of state enterprises, collective farms, and other cooperative enterprises; long-term - serves mainly the sphere of capital construction. In the form of long-term lending, the state provides assistance to collective farms and cooperative associations (for household equipment) and to working people (for individual housing construction, collective farmers for the purchase of cows, etc.). The source of funds for long-

term lending to collective farms and cooperative associations is also their own savings. State enterprises receive funds from the state for capital investments in the form of non-repayable budget financing and partially carry out capital investments at the expense of their own resources: from the depreciation fund and the net income of enterprises.

In accordance with the plan, enterprises and economic organizations receive loans in the form of a direct bank loan. Each enterprise can get a loan only from a bank. Commercial credit, that is, the supply of goods by enterprises to each other on credit, does not exist in the USSR. The bank issues a loan to an enterprise for certain business activities, for example, for seasonal procurement of raw materials, for the creation of temporary stocks of work in progress or finished products. This form of lending provides a direct link between bank credit and the processes of production and circulation.

Direct short-term lending by the bank to enterprises and business organizations is based on the following basic principles: 1) the repayment of loans within a certain period, 2) the targeted nature of the loan, 3) the security of the loan issued by the bank with material values. The requirement of repayment and urgency of loans stimulates the acceleration of the turnover of funds by economic organizations and enterprises and contributes to the control of the ruble by the bank.

The requirement to secure a loan with certain material values allows the bank to control the correct, targeted use of the loan, connects the loan with the movement of material resources.

Banks pay a certain percentage on deposits and charge slightly higher interest on loans. Interest in a socialist economy is a part of the net income of an enterprise paid for the temporary use of borrowed funds. In contrast to capitalism, where the level of interest is formed spontaneously, as a result of competition, in the socialist economy the amount of interest is determined by the state in a planned manner. At the same time, the state proceeds from the need to ensure the material

interest of enterprises and organizations in keeping free funds in banks, as well as in the most expedient and economical use of their own and borrowed funds.

Credit provided to state enterprises is of great importance for the organization of production. A significant part of the working capital of enterprises is formed at the expense of the loan. Credit promotes the growth of socialist production and accelerates the turnover of funds.

In a socialist society, non-cash payments are widely used . Cash settlements between enterprises and organizations are carried out by banks by transferring money from the accounts of some enterprises or organizations to the accounts of others - on behalf of the account holders. The planned centralization of settlement and credit functions makes it possible in the USSR to use internal clearing settlements on a vast scale inaccessible to capitalism, that is, the settlement of mutual claims of economic organizations. In the USSR, cash settlements between enterprises are used only for small payments. The development of non-cash payments replaces cash in economic circulation and thereby reduces the amount of money needed for circulation in the national economy. Non-cash payments accelerate the circulation of funds and the entire social product, and contribute to the strengthening of the monetary system.

Credit under socialism is a powerful tool for the control of the ruble by the state over the activities of enterprises and economic organizations. Lending is associated with preliminary and subsequent checks of the financial position of the enterprise. At the same time, the credit authorities check the fulfillment of income and accumulation plans, the spending of own and borrowed current assets for their intended purpose, etc. When issuing a loan, the credit authorities check how the company uses its funds, how it observes payment discipline, how strong the financial use of credit. The credit authorities are taking measures to strengthen payment discipline, cost accounting, and the regime of savings at enterprises.

Banks in a socialist society.

Credit in the national economy of the USSR is carried out by banks and savings banks. Banking is concentrated in the hands of the socialist state. Banks in a socialist society are state institutions that carry out the planned mobilization of temporarily free funds and the use of these funds for the development of the socialist economy. Thus, banks under socialism, while retaining their old form, changed their content and acquired new functions compared to capitalist banks.

The banking system of the Soviet Union includes the State Bank of the USSR and special state banks for long-term investments. The leading role in the banking system is played by the State Bank.

The State Bank of the USSR is an issuing bank, a short-term lending bank, and the country's settlement center. It performs the following functions:

Firstly, it regulates money circulation, the movement of cash in the country, carries out both the withdrawal of money from circulation and the issue of money according to a plan and in the manner determined by the government of the USSR.

Secondly, it provides cash services to the national economy, that is, it concentrates in its cash desks the cash of socialist enterprises, state and public organizations and issues cash to them for current payments.

Thirdly, it provides short-term credit to enterprises and economic organizations in all branches of the national economy (except for construction organizations) that are based on economic accounting.

Fourthly, it serves as a settlement center, that is, it organizes and makes cash settlements in the country between enterprises, institutions, and organizations.

Fifth, it carries out cash execution of the budget: it accepts the amounts of payments to the state budget, issues budget funds strictly

for their intended purpose and within the limits of open appropriations, keeps records of budget revenues and expenditures.

Sixthly, it keeps the country's currency funds and makes international settlements on trade and other economic transactions of the USSR with foreign countries; Some of these payments are made through the USSR Foreign Trade Bank (Vneshtorgbank).

The State Bank of the USSR is the largest bank in the world. Its institutions are located in republican, territorial, regional, and almost all regional centers of the country. Through the organization of settlements through settlement accounts and through credit operations, the State Bank fulfills its role as the most important body of the state in controlling the ruble over the financial and economic activities of enterprises and organizations.

Long-term investment banks serve individual branches of the socialist economy. Their main function is the financing and long-term lending of capital investments of enterprises in the relevant industries. All funds allocated in a planned manner for capital investments are concentrated in the respective banks. These banks make all calculations for construction, issue funds for construction work and exercise control over their spending in accordance with the plan.

In the USSR there are: a bank for financing capital investments of state enterprises and construction organizations in industry, transport and communications (Prombank); a bank for financing capital investments of state enterprises and organizations of agriculture and forestry, for long-term lending to collective farms and the rural population (Selkhozbank); a bank for financing capital investments in trade and cooperation (Torgbank) and the Central Bank for financing communal services and housing construction (Tsekombank).

The banks control the production and circulation of the ruble, thereby helping to strengthen the regime of economy and cost accounting.

This control is carried out, firstly, by financing and crediting such measures, which are provided for by the plan, and depending on the progress of the plan; secondly, by requiring the repayment of loans in accordance with the deadlines for the implementation of planned targets; thirdly, by applying appropriate sanctions in case of violation of the procedure for using funds and the loan repayment period (for example, charging an increased interest and depriving the right to further lending).

The improvement of the economic activity of enterprises and the strict implementation of the austerity regime require further strengthening of the control of the ruble on the part of banks over production and active influence on those enterprises that allow mismanagement.

The activities of banks are carried out on the basis of economic accounting. The bank's net income is the difference between the amount of interest received, on the one hand, and the amount of interest paid, as well as expenses for the maintenance of the banking apparatus, on the other hand.

On the basis of the growth of the socialist economy and the development of credit relations, the turnover of banks is steadily increasing. The total amount of credit investments of the State Bank in the national economy amounted to 208 billion rubles by the end of 1953, exceeding the level of 1940 by 3.7 times.

State savings banks accept cash deposits from individual citizens, as well as from collective farms and public organizations, paying a certain percentage on deposits.

The systematic growth of the population's deposits in savings banks is an indicator of the continuous improvement in the material well-being of the working people. By the end of 1953, the amount of deposits of the population in savings banks amounted to 38.6 billion rubles, which is 5.3 times higher than in 1940. Savings banks also carry out operations related to state loans: payment of winnings, interest, provide services to workers them cash settlements, etc.

Money circulation under socialism.

Soviet money are signs of gold. The stability of Soviet money, as already mentioned, is ensured primarily by the presence in the hands of the state of huge masses of commodities, which are put into trade at fixed prices. In addition, the Soviet currency also has a gold backing.

Soviet money circulates in the form of bank notes (banknotes) in denominations of 10, 25, 50 and 100 rubles. Banknotes are backed by gold, precious metals, and other assets of the USSR State Bank. In addition to banknotes, there are state treasury notes in denominations of 1, 3 and 5 rubles and small metal coins in circulation.

Money circulation in a socialist economy takes place in accordance with the economic law, according to which the amount of money necessary for the circulation of commodities is determined by the sum of the prices of commodities in circulation and the rate of circulation of money. Non-cash payments carried out in the process of circulation of goods reduce the need for cash. The total amount of money in circulation required by a society for a certain period is, moreover, dependent on the amounts of current payments in cash made in the society during a given time. Such payments in a socialist society include: the payment of wages, the issuance of cash income for workdays, payment of winnings, and others. Current payments of the population are: rent payments, payment of taxes, deposits, and others.

Thus, the amount of money needed for circulation in a socialist economy is determined by the sum of the prices of commodities sold for cash, the rate of turnover of monetary units, and the amounts of current payments in cash.

Relying on the economic law of money circulation, the socialist state exercises planned management of the circulation of money in the country. The planning of money circulation in the USSR, which is a necessary component of the planning of the national economy as a

whole, is carried out by the government, and the operational regulation of the circulation of money is carried out by the State Bank. In the Soviet Union, the issuance business is strictly centralized, the State Bank of the USSR issues money into circulation, and the issue of money, that is, each additional issue of money into circulation by the State Banks, is carried out by decision of the government. The main mass of cash issued

The State Bank, goes, in accordance with the plan, to the payment of wages, to cash payments for workdays, to pay for procurement and purchases of agricultural products from collective farmers. On the other hand, the main channel through which cash is returned to the bank is the proceeds of trade organizations, which provide more than four-fifths of all receipts to the cash desks of the State Bank, as well as the proceeds of public utilities, transport, and communications, which are daily transferred to the bank.

Cash is also issued from the State Bank to pay interest, winnings, and redeemable government bonds, to pay pensions, allowances, insurance fees, to pay small bills, etc. The State Bank regularly receives money from taxes and other payments to the budget, on deposits in savings banks, on insurance premiums, etc. Thus, the money supply continuously passes through the cash desks of the State Bank.

The ratio between the money income of the population, on the one hand, and the volume of trade, as well as paid services provided to the population, on the other hand, is one of the main conditions affecting money circulation. In order to reveal these correlations and ensure in the national economic plan the necessary proportions between the growth of the population's money income and the growth of the opposing mass of commodities and paid services, a balance of the population's money incomes and expenditures is drawn up. This balance takes into account all upcoming cash incomes and expenditures of the population in the planned period of time. Certain correlations in the movement of funds provided for by individual elements of the national economic plan (wage fund, trade

turnover, state budget, etc.) make it possible to establish the necessary plan targets in the field of money circulation.

An important tool for planning monetary circulation is the cash plan of the State Bank, approved by the government. cash plan represents the plan of cash turnovers of all links of the State Bank system. The cash plan shows all cash receipts to the State Bank expected during the planned period and all cash withdrawals from the bank's cash desk. The cash plan is drawn up taking into account the balance of cash income and expenditures of the population. Consequently, the cash plan takes into account the volume of retail trade, procurement of agricultural products, the amount of wages of workers and employees, and other indicators that determine the amount of cash receipts and disbursements. The cash plan provides for the issue and withdrawal of money from circulation, depending on the ratio of cash receipts to the cash desks of the State Bank throughout the country as a whole and their consumption.

The State Bank regulates the circulation of money in the country, also through a credit plan.

The planned organization of money circulation makes it possible to increase or decrease the amount of cash and to have in each period of time in each region of the country and throughout the country as a whole such an amount of cash as is necessary for circulation. In this way, the strengthening of monetary circulation is achieved.

To strengthen the monetary system of the USSR, the monetary reform carried out at the end of 1947 was of great importance.

The monetary reform consisted in the fact that the old money, which had depreciated to a certain extent during the war, was exchanged under certain conditions for new, full-fledged money of the 1947 model. carried out in the interests of the workers. The wages of workers and employees after the reform continued to be paid in the same amounts, but in new, full-fledged money. The monetary reform was accompanied by a reduction in commodity prices. The monetary

reform of 1947 eliminated the consequences of the war in the field of monetary circulation, restored the full-fledged Soviet ruble, strengthened the importance of money in the national economy, facilitated the transition to trade at uniform prices without cards, led to an increase in the real wages of workers and employees, to an increase in the real incomes of rural population.

The streamlining of monetary circulation, the growth in the production of consumer goods and retail trade, the decline in prices for goods led to an increase in the purchasing power and the exchange rate of the ruble. From March 1, 1950, the Soviet government increased the official exchange rate of the ruble, and the ruble exchange rate was calculated not on the basis of the dollar, as was established in 1937, but directly on a gold basis, in accordance with the gold content of the ruble.

Under socialism there is a state currency monopoly, that is, the concentration in the hands of the socialist state of all settlements with foreign states, the purchase, sale, and storage of foreign currency. The state currency monopoly and the monopoly of foreign trade make the Soviet currency independent of the fluctuating conjuncture of the capitalist market. This independence is being consolidated more and more thanks to the accumulation of gold reserves and the active balance of trade and payments of the USSR.

SUMMARY

1. The financial system of socialism includes the state budget, credit, state social insurance, state property and personal insurance, and the financial management of state enterprises, collective farms, and trade cooperatives.

2. The state budget is the main form of systematic formation and use of a centralized fund of monetary resources to meet the needs of the whole people. The main source of the revenue part of the budget is the net income of society, used primarily to finance economic and cultural construction.

3. Credit in a socialist society is a form of mobilization by the state of temporarily free funds and their planned use in the national economy on terms of repayment. Interest is a payment established by the state for the temporary use of borrowed funds. The source of interest is the net income of enterprises. Credit is provided by banks and savings banks. There are two types of banks in the USSR: the State Bank, which is an issuing bank, a short-term credit bank and the country's clearing house, and state special banks for long-term investments. Banks exercise control over the ruble over production and circulation, and help to strengthen economic accounting.

4. Relying on the economic law of money circulation, the socialist state exercises planned management of the circulation of money in the country. By means of the planned organization of money circulation in the socialist economy, some correspondence is achieved between the mass of cash money and the needs of commodity circulation in money, and an increase in the purchasing power of the ruble is ensured.

[1] I. V. Stalin, Report to the 17th Party Congress on the work of the Central Committee of the All-Union Communist Party of Bolsheviks, Works, vol. 13, p. 334.

Socialist Reproduction

Essence of socialist reproduction.

The condition for the existence and development of a socialist society, like any other society, is the constant renewal of the production of material goods, that is, reproduction.

The main provisions of the Marxist-Leninist theory of reproduction - on simple and extended reproduction, on the total social product and national income, on the division of social production into the production of means of production and the production of consumer goods, on the need for a certain proportionality between the various parts of the total social product, retain all their significance when socialism and communism. Socialist society cannot do without the application of these provisions in the planning of the national economy.

At the same time, reproduction under socialism is fundamentally different from reproduction under capitalism.

In accordance with the requirements of the basic economic law of socialism, socialist reproduction is subordinated to the goal of ensuring the maximum satisfaction of the ever-growing material and cultural needs of the whole society, while capitalist reproduction is subordinated to the task of ensuring maximum profit for the capitalists.

If capitalist reproduction is carried out spontaneously, periodically interrupted by economic crises, then the socialist mode of production is characterized by crisis-free development, continuous expanded reproduction. Proceeding from the law of the planned development of the national economy and conforming in everything to the requirements of the basic economic law of socialism, the socialist state determines in a planned manner the rates of development of the national economy, the proportions and connections between branches, the volume of accumulation and consumption.

The process of reproduction, taken as a whole, is first of all the process of reproduction of the social product. The leading role in the process of reproduction of the social product belongs to the reproduction of the means of production and, above all, the instruments of labor. Continuous multiplication and improvement of the tools of labor is a necessary condition for technical progress. Socialist reproduction is carried out on the basis of higher technology. Along with the tools of labor, other elements of the means of production are also reproduced: old factory buildings are expanded and new ones are built, new vehicles are created, the production of raw materials is increased, etc.

Expanded reproduction of the means of production makes it possible to expand the production of consumer goods - clothing, footwear, food, etc.

Socialist society is characterized by high rates of reproduction of the social product. This is primarily due to the absence of exploiting classes and their parasitic servants under socialism, the absence of crises and unemployment, the planned and expedient use of the labor resources of society, and the systematic and rapid rise in the productivity of social labor. The high growth rates of the social product are further conditioned by socialist emulation, by socialist economic methods: the consistent implementation of the austerity regime, the planned use of national economic funds, the strengthening of economic accounting, and the systematic reduction of production costs.

The following data testify to the high rates of socialist reproduction. The gross output of large-scale industry in the USSR in 1953 compared with 1913 increased (in comparable prices) 30 times, the production of means of production - more than 50 times, the production of electricity - almost 70 times. The chemical industry and mechanical engineering grew even faster. The total social product in the USSR only increased tenfold in the period from 1928 to 1953 (in comparable prices).

The growth rate of production in the USSR is many times higher than the growth rate of production in the USA, despite the fact that the US economy was not damaged during the Second World War. Between 1929 and 1953, the average annual growth rate of industrial output in the USSR (excluding the war years) was about 19%. in the USA - 3.5%.

In the process of socialist reproduction, the labor force is reproduced. The planned supply of labor force to enterprises is one of the fundamental conditions for expanded socialist reproduction. With the growth of the national economy, the size of the working class is steadily increasing. The recruitment of labor force in all branches of social production is carried out in an organized manner by enterprises and economic bodies. The provision of industry, construction, transport, and agriculture with qualified personnel occurs through the state system of training labor reserves, through a special network of schools, courses, technical schools, and higher educational institutions in accordance with the needs of the national economy. Labor resources are distributed in a planned manner among branches of the national economy and individual enterprises.

Expanded reproduction under socialism is at the same time expanded reproduction of socialist production relations.

The expanded reproduction of socialist production relations means the reproduction of: a) socialist property in its two forms - state and cooperative-collective farm, b) relations of comradesly cooperation and socialist mutual assistance of workers in the process of production of material goods, c) mutual relations of workers in the distribution of consumer goods in accordance with quantity and quality of work of each worker.

Socialist production relations are free from the deepest contradictions inherent in capitalist production relations. The reproduction of capitalist production relations means the intensification of the exploitation of labor by capital, the growth and deepening of class contradictions between the exploiters and the exploited, which inevitably leads to the revolutionary downfall of capitalism. The

reproduction of socialist production relations means strengthening the alliance of friendly classes - the working class, the peasantry - and the intelligentsia inextricably linked with these classes, strengthening the moral and political unity of society, the gradual erasure of class boundaries and social differences between people. In the process of expanded socialist reproduction, a gradual transition from socialism to the foundation of communism will take place.

National wealth of a socialist society. Composition of the total social product.

All the material goods at the disposal of socialist society constitute its national wealth.

The first element of the national wealth of a socialist society is the production assets of the national economy, that is, the means of production, which are subdivided into: a) fixed production assets and b) circulating production assets of the national economy. The national wealth of socialist society also includes the natural resources involved in the process of reproduction (cultivable and suitable land, mineral deposits, forests, water, etc.).

The main production assets of the national economy are state or cooperative-collective-farm means of labor functioning in all branches of material production (production buildings, machines, machine tools, equipment, structures, etc.). The circulating production assets of the national economy are objects of labor that are both in the process of production and in stock at state enterprises, collective farms, and other cooperative organizations (raw materials, materials, fuel, etc.).

The second element of national wealth is the circulation funds of the national economy. These include stocks of finished products located in the warehouses of state production enterprises, collective farms, artels of trade cooperation, state and cooperative trade enterprises and organizations.

The third element of national wealth is state and collective farm material reserves, as well as insurance reserves.

The fourth element of national wealth is non-productive funds of the national economy, which are state or cooperative-collective farm property that serves the purposes of non-productive consumption for a long time: housing stock, buildings of cultural and community institutions - schools, theaters, clubs, hospitals, etc. with their equipment.

These are the basic elements of national wealth, which are public, socialist property.

The composition of the national wealth also includes the personal property of the population, personal property, which is multiplied on the basis of the continuous growth of social, socialist property.

A large role in the reproduction of material wealth is played by the accumulated production experience, knowledge, and qualifications of the workers of socialist society, and the diverse spiritual wealth of the country. "The degree of skill of the present population is always the prerequisite for all production, hence the main accumulation of wealth." [1]

Under capitalism, the vast majority of the national wealth belongs to the exploiting classes, and the growth of wealth occurs in the form of capital accumulation, leading to the impoverishment of the masses. Capitalist relations give rise to fictitious wealth, represented by shares, the price of land, etc. Under socialism, all national wealth is the property of either the state, that is, the entire people, or collective farms and other cooperative associations, or the personal property of citizens. Socialism knows no fictitious wealth; all the wealth of socialist society is real wealth. With the growth of the national wealth of socialist society, the material well-being and cultural level of the entire people are systematically raised.

During the years of the Soviet five-year plans, the national wealth of the USSR has been multiplied enormously. Thus, by the end of 1940 alone, the main production assets of the national economy had increased 6 times compared to 1913, and by the end of 1953 more than 10 times.

National wealth includes all the material goods that socialist society has at its disposal at a given time. In other words, national wealth reflects the results of all previous development of society. The total social product includes material goods created in society over a certain period of time, for example, a year.

Reproduction of the social product under socialism is carried out in two forms: a) natural-material and b) cost, or money. According to its natural-material form, the entire production of socialist society is divided into two large divisions: the production of means of production intended to re-enter the production process (I division), and the production of consumer goods, designed to meet the needs of the population (II division). Accordingly, the entire mass of the annual product is divided into means of production and consumer goods. Expanded socialist reproduction requires a constant renewal and increase in the production of both means of production and consumer goods in a certain proportion, established by the national economic plan.

In terms of value, the social product is divided into: 1) the value of the consumed means of production, which is transferred to the product; 2) the value of a part of the newly created product produced by labor for oneself; 3) the value of a part of the newly created product produced by labor for society. The socio-economic nature of each of these parts of the value of the social product is fundamentally different than under capitalism. Instead of constant and variable capital, national economic funds function in the process of socialist reproduction, and instead of surplus value, the net income of society.

The process of socialist reproduction presupposes, first of all, the planned replacement of the consumed means of production at the

expense of a certain part of the total social product in kind and value. Compensation of fixed assets in kind occurs through partial or complete replacement of machines, buildings, structures. Reimbursement of fixed assets at cost is carried out through depreciation. The depreciation fund of the national economy of the USSR is intended to ensure the overhaul of fixed assets during the entire period of their operation and the reimbursement of the cost of consumed fixed assets.

Further, the process of socialist reproduction presupposes that the articles of consumption distributed according to work and used up to cover the personal needs of workers in material production and their families must be newly created by the labor of these workers.

Finally, in the process of socialist reproduction, workers in material production create by their labor a product for society, which is intended for socialist accumulation and the satisfaction of social material and cultural needs (enlightenment, health care, administration, and defense of the country).

Correlation between two divisions of social production.

In accordance with the requirements of the basic economic law of socialism and the law of the planned (proportional) development of the national economy, in the process of socialist reproduction, the necessary proportions are established in a planned manner between the production of means of production and the production of consumer goods, between various branches of the national economy, between production and circulation, between accumulation, consumption and reserves, etc.

The most important proportion of socialist reproduction is the correct correlation between subdivisions I and II of social production. The decisive role in the entire economy is played by subdivision I, which produces the means of production. An uninterrupted advance of the national economy is possible only if the production of the means of production grows more rapidly. Without a predominant growth in

the production of means of production, it is generally impossible to carry out expanded reproduction.

“In order to expand production (“accumulate” in the categorical meaning of the term), it is first necessary to produce the means of production, and for this, therefore, it is necessary to expand the department of social production that manufactures the means of production” [2] . Lenin called the predominant growth in the production of means of production in comparison with the production of consumer goods under expanded reproduction an economic law.

Predominant growth in the production of means of production (above all, tools) is a necessary condition for the widespread introduction of the latest technology in all branches of socialist production and for a systematic increase in labor productivity. Thus, an increase in the share of machine building and the production of electric power makes it possible to carry out comprehensive mechanization and electrification of all branches of the national economy and to create the material and production foundation of communism.

The predominant growth in the production of means of production signifies a more rapid development of industry in comparison with agriculture. Under socialism, such proportions are established between industry and agriculture that ensure the steady growth of not only industrial, but also agricultural production.

Thus, extended socialist reproduction, accompanied by rapid technological progress, is characterized by an upswing in production in which the growth of industries producing means of production (I division) is faster than the growth of industries producing consumer goods (II division). At the same time, in socialist society there is a constant absolute increase in the production of consumer goods, which finds expression in a steady increase in the output of agriculture, food and light industry, in the expansion of housing construction in towns and villages, and in the expansion of Soviet trade.

The share of means of production in the output of the entire industry of the USSR was: in 1924-1925. - 34%, in 1937 - 58, in 1953 - about 70%.

The production of consumer goods has increased approximately 12-fold in the USSR over the past 28 years. From 1926 to 1953 trade turnover (in comparable prices) increased almost 8 times. In tsarist Russia, the trade turnover for 27 years (from 1885 to 1912) increased 3 times.

Only continuously growing heavy industry, which is the foundation of the socialist economy, can ensure the steady growth of the light industry, the food industry, and agriculture.

The preferential growth of Department I, as an economic law of expanded reproduction, does not exclude the possibility and necessity in certain periods of faster development of branches of Department II in order to eliminate the backlog in the production of consumer goods and ensure the correct combination of Departments I and II of social production in the light of the fundamental tasks of communist construction. .

The presence of a powerful, comprehensively developed heavy industry in the USSR has now created the possibility of advancing at a high rate not only the branches producing the means of production, but also the branches producing consumer goods. Such a combination of the rates of development of branches of departments I and II makes it possible: firstly, to maintain the leading role of department I in social production and steadily strengthen the country's defense capability; secondly, to overcome the disproportion that arose in the previous period between divisions I and II; thirdly, by the accelerated development of the light industry, the food industry and agriculture, to create an abundance of consumer goods in the country.

The task set by the Communist Party and the Soviet government to create an abundance of consumer goods in the country by boosting the light industry, the food industry, and agriculture in every possible way, while maintaining and strengthening the leading role of heavy

industry, reflects the requirements of the basic economic law of socialism.

In 1953, the production of consumer goods increased by 65% compared to 1949, and the growth rate of Division II in 1953 compared to 1952 somewhat exceeded the growth rate of Division I. During 1953 alone, about 300 new state industrial enterprises for the production of consumer goods were put into operation. On the basis of the accelerated growth of branches of division II, the market funds of basic food and industrial goods in 1956 in comparison with 1950 increase: for meat products - 2.6 times, for fish products - 2.3, for animal butter - 2, 1, for sugar - 2.4 times, for fabrics and footwear - 2 times, for furniture - 4.8 times, for sewing machines - 5.9 times, for radios and televisions - 5.3 times, etc.

How does exchange take place under socialism between subdivisions I and II of social production and within each of them?

First, there is an exchange between the various branches of division I.

One part of the means of production created in department I remains in the same department and ensures simple reproduction. This part of the means of production produced is used to replace partially or completely retired means and objects of labor (replacement of worn-out machines, overhaul of equipment, renewal of spent stocks of raw materials, etc.). The other part of the means of production ensures expanded reproduction in various sectors of the economy included in subdivision I. Thus, for example, the coal and oil industries supply fuel to the engineering industries and receive from them the necessary equipment; metallurgy, supplying the construction industry with the metal it needs, in turn uses raw materials from the ore industry to increase metal smelting, etc.

Thus, between the branches of Division I, there is a systematic exchange of those means of production that serve the purpose of maintaining and expanding production in these branches. As has already been said, within the boundaries of the state production

sector, the produced means of production do not circulate between branches as commodities, but are distributed in the order of material and technical supply and only retain the form of commodities.

Secondly, there is an exchange between the various branches of division II. The products of division II consist of consumer goods. One part of the articles of consumption produced in subdivision II goes to the personal consumption of the workers of this subdivision, is exchanged through the channels of commodity circulation for the wages of workers and employees, for the cash income of collective farmers. A certain quantity of consumer goods produced on collective farms is distributed and consumed on these same collective farms without taking on a commodity form and without passing through the channels of market circulation.

Thirdly, there is an exchange between I and II subdivisions. Part of the means of production produced in Department I must be used to replace partially or completely retired means of labor and to renew spent stocks of raw materials, fuel, and other materials in branches of Department II, as well as to increase the means of labor, stocks of raw materials, fuel, and materials of this department, necessary for extended reproduction. Part of the consumer goods produced in Department II is exchanged through the trade network for the wages of employees of Department I. The rate of expansion of production and the technical progress of the branches of Division II depend primarily on the quantity and quality of the means of production which they receive from Division I. This determines the leading role of division I in relation to division II.

Lenin pointed out that Marx's formula of the correlation between subdivisions I and II of social production ($Iv + m \text{ to } IIc$) remains valid for socialism and communism. Moreover, the socio-economic relations behind this formula are changing radically.

Under socialist expanded reproduction, Department-I must produce such a quantity of means of production as is necessary to ensure the continuous growth of production on the basis of higher technology in

both departments, with a predominant increase in Department-I. On the other hand, department-II must produce consumer goods in the quantity necessary to satisfy the ever-growing needs of both the former and newly involved workers in both departments, as well as workers employed in non-productive industries. In each given period, part of the produced means of production and consumer goods is used to increase reserves.

Under conditions of anarchy in capitalist production and the limited effective demand of the working masses, the most difficult problem of capitalist reproduction is the problem of realizing the social product. The planned and crisis-free development of socialist production does not run into the difficulties of realization inherent in capitalism since the steady growth of the purchasing power of the population creates an ever-expanding demand for industrial and agricultural products.

This does not mean, however, that in the course of expanded socialist reproduction certain violations of certain proportions in the national economy cannot occur, such as, for example, miscalculations in planning due to insufficient consideration of the requirements of the law for the planned development of the national economy, or natural disasters such as drought, which negatively affect production. In order to prevent and eliminate the individual disproportions that arise as a result of this in the national economy, the socialist state creates the necessary reserves.

The lag in agriculture, especially in grain farming, animal husbandry, the production of vegetables and potatoes, and also in the light and food industries, which took shape in the previous period of the development of the Soviet economy, is being overcome by the socialist state in a planned manner through the accelerated development of these branches of the national economy.

Formation and appointment of public funds under socialism.

The socialist mode of production also determines the corresponding forms of distribution of the total social product. Society, represented by the socialist state, systematically distributes the social product in accordance with the requirements of the basic economic law of socialism.

As already mentioned, the total social product, minus the part used to replace the consumed means of production, forms the national income of socialist society. The national income is divided into two large funds: the accumulation fund, through which the continuous growth and improvement of socialist production is carried out, and the consumption fund, through which the constantly growing material and cultural needs of the whole society are satisfied.

From the accumulation fund, the predominant part is used for the purpose of expanding production. The scale of production in socialist society is growing systematically, from year to year, and moreover at a rate unprecedented in the capitalist world.

The other part of the accumulation fund is used for the purposes of capital construction for cultural and community purposes. This includes the implementation of extensive and ever-increasing work on the construction of schools, hospitals, public utilities.

Finally, the third part of the accumulation fund forms the reserve or insurance fund of the society. State reserves of raw materials, fuel, foodstuffs, as well as reserve funds in collective farms, make it possible to prevent interruptions in the reproduction process.

The consumption fund, in turn, consists of two parts: the main part of the consumption fund is the payroll fund for workers in socialist production, which, in accordance with the economic law of distribution according to work, goes to the wages of workers and employees engaged in production, to the wages of collective farmers, etc. d.; the other part constitutes the social consumption fund, which covers the various needs of socialist society as a whole.

A part of the public consumption fund is spent on social and cultural purposes: to meet the growing needs of socialist society in the fields of science, education, public health, art and other areas of culture and everyday life. From this fund, in accordance with the economic law of distribution according to work, workers in the sectors of culture and consumer services receive wages.

Part of the public consumption fund forms the social security fund. This fund serves the purposes of providing state assistance to mothers with many children and single mothers, children, the elderly, and the disabled in accordance with the right granted by the Constitution of the USSR to material support in case of disability and old age.

Scheme of the Distribution of the total product in a Socialist Society

Part of the public consumption fund goes to cover the costs of administration - to pay employees of the state apparatus, etc.

Part of the national income goes to the needs of the country's defense. In the presence of the danger of military attacks by imperialist aggressors on the USSR, strengthening the defense capability of the country of socialism is of the utmost importance.

As has already been pointed out, the predominant part (about three-quarters) of the national income is spent on satisfying the personal material and cultural needs of the working people in the USSR.

Socialist accumulation. Accumulation and consumption in a socialist society.

The source of expanded socialist reproduction is socialist accumulation. Socialist accumulation is the use of a part of society's net income, which consists of means of production and consumer goods, to expand production, as well as to form material reserves and increase non-productive socio-cultural funds.

As a result of socialist accumulation, there is an increase in material values that are in state and cooperative-collective farm ownership, which means an increase in the national wealth of socialist society. The accumulated share of the national income also has a monetary value. The vast majority of the monetary accumulations of all sectors of the national economy and a part of the population's funds are mobilized through the state budget for public needs.

Socialist accumulation is carried out through capital investments in the national economy. Capital investments are a set of costs circulated in a certain period for the creation of new, as well as for the reconstruction of existing fixed assets for production and non-production purposes. Capital investments in the national economy are to some extent used to replace consumed fixed assets. The Soviet state systematically and systematically carries out capital work of enormous scope: the construction of new and the expansion of existing factories and plants, power plants, mines and mines, the construction of state farms and machine and tractor stations, means of transport and communications, residential buildings, schools, hospitals, children's institutions.

Solving the problem of a steep rise in the production of consumer goods requires large investments in the light industry, the food industry, and agriculture.

The volume of state capital investments in the national economy of the USSR in terms of modern prices amounted to: in 1929 - 1932. - 68 billion rubles, in 1933 - 1937. - 158 billion, in 1946 - 1953. - 781 billion rubles. The main part of capital investments is directed to the expansion of socialist industry. Due to capital investments, large industrial enterprises were built and put into operation: during the years of the first five-year plan - more than 1,500, during the years of the second five-year plan - 4,500, during three and a half years of the third five-year plan - about 3 thousand, for 1946 - 1953. about 8,000 state industrial enterprises have been restored and rebuilt. In addition to industrial and agricultural enterprises, many thousands of cultural and household institutions have been created.

In 1954, the volume of capital investments in the light and food industries will increase by 84% compared to 1953, and in agriculture by 80%.

Socialist accumulation is based on a steady increase in the productivity of social labor and a systematic reduction in the cost of production.

The planned, crisis-free nature of the socialist economy, the high level of capital investment in the national economy, the planned and rational use of the means of production and labor resources in social production, the absence of parasitic consumption—all this determines high rates of accumulation, unattainable under capitalism even in the most favorable periods of its development.

The share of national income going into accumulation in the United States for the period 1919 - 1928. averaged about 10%, while in the decade from 1929 to 1938 it was only 2%. In the USSR, the socialist accumulation fund (including reserves) makes up about one quarter of the national income.

Socialism has eliminated the antagonistic contradiction between production and consumption that is characteristic of capitalism. Expanded socialist reproduction means a steady growth not only of the means of production, but also of consumer goods.

Socialist society also does not know the division of consumer goods, inherent in capitalism and connected with the presence of antagonistic classes, into the necessary means of consumption of the working masses and luxury goods, which enter only into the consumption fund of the exploiting classes. Under socialism, the entire consumption fund goes to the working masses.

With the development of production, with the growth of the national income, with the increase in the volume of socialist accumulation, the

funds for national consumption also grow, and the social and personal needs of the working people are more fully satisfied.

The growth of public consumption is accompanied by an improvement in its structure: the share of high-quality goods and products in the funds of public consumption is steadily increasing. From 1947 to 1953, the sale of white bread to the population increased more than 6 times, meat products - 2.3 times, animal, and vegetable oils - almost 2 times, sugar - 5.4 times, fruits - more than 3 times. In 1940, manufactured goods accounted for 36.9% of the country's trade turnover, in 1953 - 45.3%.

All this means that under socialism there is an economic law of accumulation peculiar to it. The law of socialist accumulation determines the continuous growth of national wealth through the systematic use of part of the net income to expand production in order to satisfy the growing needs of society as a whole. In contrast to the general law of capitalist accumulation, by virtue of which the growth of the wealth of the exploiting classes is inevitably accompanied by the impoverishment of the working masses, the operation of the law of socialist accumulation leads to the fact that, along with the growth of national wealth, there is a systematic rise in the material and cultural level of the people.

The Soviet state establishes in a planned manner for each period certain proportions between the accumulation fund and the consumption fund, proceeding from the fundamental tasks of communist construction. The decisions of the September (1953), February-March and June (1954) Plenums of the Central Committee of the Communist Party of the Soviet Union on agriculture, the major measures taken by the Soviet government to boost the production of foodstuffs and industrial goods, ensure a sharp increase in the consumer spending fund.

All aspects of expanded socialist reproduction-production, distribution, circulation, and consumption - in their unity and interconnection are covered by the balance sheet of the national

economy of the USSR. The balance of the national economy of the USSR, translated into the national economic plan, expresses the entire process and results of expanded socialist reproduction.

Under socialism, the capitalist law of population has completely lost its force, by virtue of which, in parallel with the growth of social wealth, an increasing part of the working population is found to be surplus, is pushed out of production, replenishing the army of the unemployed. The socialist system ensures full employment for the entire able-bodied population. Therefore, under socialism there is not and cannot be overpopulation. Constant and rapid growth of the population, a high level of material well-being of the people, low morbidity, and mortality of the population with full and rational use of its able-bodied part - this is the essence of the socialist law of population.

From 1926 to 1939, the average annual net population growth in the USSR was about 2 million people, or 1.23%. During the same period, the average annual net population growth was: in France - 0.08%, in Germany - 0.62, in England - 0.36, in the USA - 0.67%. In recent years, the annual net increase in the population of the USSR has been more than 3 million people. In 1953, the mortality rate in the USSR decreased by more than 2 times compared with 1927, and by more than 3 times compared with 1913. Mortality in the USSR is much lower than in the USA, England, and France.

Thus, socialist reproduction is characterized by a systematic and continuous expansion of all social production, carried out at a high rate inaccessible to capitalism, a systematic and rapid increase in the size of the entire population, including the working class and intelligentsia, a steady increase in the material well-being and cultural level of the masses.

SUMMARY

1. Socialist reproduction is continuous expanded reproduction of the total social product, labor power and socialist production relations. The advantages of the socialist national economy and its planned,

crisis-free development determine the steady growth of the socialist economy and high rates of expanded socialist reproduction.

2. National wealth includes all material goods at the disposal of socialist society. The components of the national wealth are: the main and circulating production assets of the national economy, circulation funds, state and collective farm material reserves and insurance reserves, non-production funds, personal property of the population.

3. Reproduction of the social product is carried out in two forms: in kind and in value. According to the natural form, the production of the social product under socialism is divided into the production of means of production (Section I) and the production of consumer goods (Section II). In terms of value, the social product includes: the value of the consumed means of production, the value of a part of the newly created product produced by labor for oneself, the value of a part of the newly created product produced by labor for society. Expanded socialist reproduction presupposes the necessary correspondence (proportionality) between all parts of the social product in kind and in value.

4. The distribution of the social product under socialism ensures the steady expansion of socialist production in town and countryside, the satisfaction of the continuously growing material and cultural needs of socialist society, and the strengthening of the country's economic might and defense capability.

5. Socialist accumulation is the use of a part of society's net income, consisting of means of production and consumer goods, to expand production, form social reserves and increase non-productive, socio-cultural funds. Socialism is free from the antagonistic contradiction inherent in capitalism between production and consumption. In contrast to the general law of capitalist accumulation, by virtue of which the growth of the wealth of the exploiting classes is inevitably accompanied by the impoverishment of the working masses, the operation of the law of socialist accumulation leads to the fact that,

along with the growth of national wealth, there is a systematic rise in the material and cultural level of the people.

6. Under the socialist system, the capitalist law of population has lost its force. The socialist law of population is expressed in constant and high growth of the population, in the rational and complete use of its able-bodied part in the interests of the whole society.

[1] K . Marx, Theories of Surplus Value, vol. III, 1936, p. 229.

[2] V. I. Lenin, On a Characterization of Economic Romanticism, Works, vol. 2, p. 137.

Conclusion

Marxist-Leninist political economy has gone through more than a century of development. Like Marxism-Leninism in general, Marxist-Leninist political economy is creative and active. Profoundly alien to dogmatism, it develops in the closest, inseparable connection with the practice of the working-class movement, with the practice of the struggle of the working class and all working people for socialism and communism, and is replenished with new theoretical propositions based on the generalization of new historical experience.

Marx and Engels gave a scientific analysis of the foundations of capitalism as a historically transient mode of production, discovered the economic laws of its origin, development, and death. In their works *The Communist Manifesto*, *Capital*, *The Critique of the Gotha Program*, *Anti-Dühring*, and others, Marx and Engels revealed the historical role of the proletariat as the grave-digger of capitalism and the builder of socialist society. They created the theory of the proletarian revolution, substantiated the economic necessity of the transition period from capitalism to socialism as a special historical stage in the revolutionary transformation of capitalist society into socialist society, and outlined in general terms the two phases in the development of communist society.

The most important in Marxism is the doctrine of the dictatorship of the proletariat as a state of a new type, which plays a decisive role in the revolutionary transformation of society. Marx and Engels outlined a program of the most important measures carried out by the proletarian dictatorship: the expropriation of the expropriators, the replacement of private ownership of the means of production by public property, the abolition of exploitation and the exploiting classes, and the rapid growth of the productive forces of society.

Marx and Engels foresaw that in a socialist society the anarchy of production would be replaced by the planned development of the social economy and the principle of distribution according to work would be implemented. Only with the further rapid development of

the productive forces, with the growth of the abundance of products, with the abolition of the essential differences between town and country, between mental and physical labor, with the transformation of labor into man's first vital necessity, will the transition from the lower phase of communism to the higher phase, which is dominated by the principle of : "From each according to his ability, to each according to his needs."

Lenin, developing Marxist political economy, enriched it with a scientific study of the monopoly stage of capitalism - imperialism and the general crisis. capitalism. The most important conclusion from this study was a new, complete theory of the socialist revolution, the theory of the possibility of the victory of socialism in one country.

Guided by the position of Marx and Engels on the expropriation of the expropriators as the first task of the proletarian revolution, Lenin, in his works "On the Tasks of the Proletariat in the Present Revolution", "The Threatening Catastrophe and How to Fight It", "Will the Bolsheviks Retain State Power?" and others gave a scientific justification for the program of nationalization of land, large-scale industry, banks, foreign trade, as the most important measures of the proletarian dictatorship aimed at mastering the commanding heights of the economy.

On the basis of a scientific generalization of the historical experience of the Great October Socialist Revolution and the practice of socialist construction in the USSR, Lenin enriched Marxism in general, and Marxist political economy in particular, with a profound analysis of the laws of the socialist transformation of society. In his works *The State and Revolution*, *The Proletarian Revolution and the Renegade Kautsky*, *The Infantile Disease of "Left-Wing" in socialism*, *Economics and Politics in the Era of the Dictatorship of the Proletariat*, and others, a comprehensive development of the question of the dictatorship of the proletariat is given. Lenin defined the dictatorship of the proletariat as a special form of the class alliance of the proletariat with the main masses of the peasantry under the leadership of the proletariat and as the highest type of proletarian

democracy expressing the interests of the working masses. He revealed the content and historical mission of the dictatorship of the proletariat, defining its three main aspects: a) suppression of the exploiters, b) leadership of the working masses, and c). building a socialist society.

Lenin developed the question of the nature and role of social classes and class struggle in the transition period from capitalism to socialism, giving a scientific analysis of the economy and the class structure of society during this period. He comprehensively elucidated the question of the alliance of the working class with the bulk of the peasantry, with the leading role of the working class in this alliance. Lenin worked out ways to liquidate the exploiting classes and abolish the exploitation of man by man in the period of the dictatorship of the working class, showing that the building of socialism is accompanied by a sharp class struggle against the exploiting classes.

In the works "The Immediate Tasks of Soviet Power", "How to Organize Competition?", "The Great Initiative", "On the Unified Economic Plan", "On the Food Tax", "On Cooperation" and in other works, Lenin gave the theoretical foundations and outlined specific ways economic policy in the transition period from capitalism to socialism. Lenin is the creator of a specific plan for building socialism in the USSR, which is of world-historical significance. The most important parts of this plan are the socialist industrialization of the country and the collectivization of agriculture. Lenin showed that in order to build the foundation of a socialist economy and ensure the economic independence of the Soviet country from world imperialism, it is necessary to get rid of the age-old backwardness of Russia in the shortest possible historical period and create large-scale industry.

On the basis of a generalization of the practice of socialist construction, Lenin worked out the initial propositions of the basic economic law of socialism, the law of the planned development of the national economy, and others. Lenin defined the basic principles of

socialist economic management, revealed the significance of the principle of material interest in the rise of socialist production, and creatively developed the Marxist position on distribution according to work under socialism, on wages, etc. Lenin's works substantiate the need to expand trade and use money for the development of the Soviet economy to strengthen the bond between the city and the countryside. Lenin scientifically foresaw that the socialist revolution, having carried out the great change from forced labor to exploiters, to free labor for itself, for the whole of society, will give rise to a revolutionary enthusiasm of the masses unprecedented in history and for the first time will create the possibility of widely, on a mass scale, applying competition. He worked out the questions of the strictest, nationwide accounting and control over the production and distribution of products, the creation of a new, socialist labor discipline, and economic accounting.

In the works of Lenin, the main provisions of Marxism on the ways of building a communist society, on the role of electrification and the growth of labor productivity in creating the material and production foundation of communism, and on the conditions for the transition to the communist principle of distribution according to needs received further creative development.

Relying on the works of the creators of the truly scientific political economy of Marx, Engels and Lenin, Stalin put forward and developed a number of new provisions of economic science. Stalin's works give an analysis of modern monopoly capitalism, and outline a picture of the general crisis of the capitalist system, which is a comprehensive crisis of capitalism, embracing both its economy and politics.

Based on the generalization of the experience of socialist construction in the USSR, Stalin developed a number of problems of the political economy of socialism. Based on Lenin's instructions, Stalin, in his reports at party congresses and conferences, in the works "Problems of Leninism", "Economic Problems of Socialism in the USSR" and others, substantiated the ways and methods of implementing the

socialist industrialization of the country and the collectivization of agriculture. Relying on the starting points given in the works of Marx, Engels and Lenin, Stalin formulated the basic economic law of socialism and the law of the planned, proportional development of the national economy.

In Stalin's writings, Lenin's propositions on the methods of socialist economic management, on the need to use the law of value and money, on economic accounting, on the principle of the material interest of workers in the results of their labor, on the superiority of the socialist economic system over the capitalist, found their further development.

Stalin developed and concretized the Marxist-Leninist propositions on the gradual transition from socialism to communism: on the state under socialism, on eliminating the essential differences between town and country, between mental and physical labor.

Marxist-Leninist political economy receives its further development on the basis of a generalization of the practice of socialist construction in the USSR and the building of socialism in the countries of people's democracy. It is enriched by new experience in the revolutionary struggle of the working class and broad sections of the working people against oppression and exploitation in the capitalist countries, as well as by the experience of the national liberation struggle of the colonial peoples. The development of the economic theory of Marxism-Leninism finds its most vivid expression in the historical decisions of the Communist Party of the Soviet Union and the fraternal communist and workers' parties, in the works of the leaders of these parties, enriching it with new conclusions and propositions arising from the changing conditions of society.

Marxist-Leninist political economy, as the most important component of Marxism-Leninism, is a powerful ideological weapon of the proletariat in its struggle against capitalism, for socialism. It is a truly scientific political economy, since it expresses the interests of the working class and all the progressive forces of mankind, interested in

an objective study of the laws of the economic development of society, which inevitably lead to the death of capitalism, to the victory of socialism.

Modern bourgeois political economy, expressing the interests of the monopoly bourgeoisie, which is striving to perpetuate the obsolete capitalist system, does everything to hide and cover up the contradictions of the capitalist system, which are leading to its destruction. Petty-bourgeois political economy, embellishing capitalism, and sowing illusions about the possibility of its improvement through reforms, is trying to divert the working class, the broad working masses, from the struggle for the destruction of the capitalist system, for socialism. Bourgeois and petty-bourgeois political economy sets as its main task the preservation of the capitalist system and the struggle against Marxist-Leninist political economy.

Marxist-Leninist political economy exposes the anti-scientific, reactionary essence of bourgeois and petty-bourgeois political economy. It equips the working class with knowledge of the economic laws of the development of society and enables the revolutionary Marxist-Leninist parties to base their policies on scientific foundations.

What are the main conclusions to be drawn from the study of political economy? What does political economy teach?

1. Political economy teaches first of all that the economic development of human society is a natural process. The emergence and development of each mode of production, the replacement of one mode of production by another, occurs not at the will of people, but due to the operation of objective economic laws. Political economy opens up the possibility of knowing the objective laws of economic development and using them in the interests of society.

Political economy, revealing the laws of social production and distribution of material goods at various stages of the development of

society, provides the key to understanding the entire process of development of human society, as a single regular process in all its versatility and inconsistency. The laws of political economy, like the laws of any other science, are a reflection in the minds of people of objective laws that exist outside of us. At the same time, political economy provides a deep and comprehensive substantiation of the most important Marxist proposition that the main force in the development of society, the true creator of history, is the people, the working masses. It shows the mobilizing, organizing, and transforming role of progressive ideas generated by the pressing needs of the development of the material life of society.

Human society develops from the lowest forms of its existence to the highest. Each of the modes of production represents a certain stage in the progressive movement of society, in the development of its productive forces and production relations. Up until the socialist revolution, the development of society takes place in such a way that the production relations of the new socio-economic system, which replaces the old, obsolete system, for a certain period of time contribute to the development of the productive forces, and later turn into their fetters. Then there is a change of one economic system of society by another, higher economic system. In a society divided into antagonistic classes, this change is carried out through class struggle, through a social revolution that overthrows the power of the obsolete ruling class and establishes the power of a new, advanced class.

Political economy, comprehensively studying the emergence, development and decline of socio-economic formations based on private ownership of the means of production, reveals the economic roots of the class struggle. It shows that the working masses are the creators of wealth, and the fruits of their labor are appropriated by the exploiting classes. This means that the class struggle is conditioned by the fundamental material interests of certain classes, by the laws of the economic development of a given mode of production.

Each new social system based on private ownership of the means of production - the slave system, feudalism, capitalism - established the

exploiters in power, changing only the forms of exploitation and oppression of the working people. The entire course of the economic development of society testifies to the fact that capitalism is the last social system based on the exploitation of man by man. Political economy shows that capitalism, in its monopoly stage, has long since become a reactionary system that is holding back the further forward movement of society. Dying capitalism is being replaced by a new social system - socialism, which means the destruction of the exploiting classes, the elimination of the exploitation of man by man.

The history of the development of human society fully confirms the correctness of this scientific conclusion of Marxist-Leninist political economy. A socialist society has been built in the Soviet Union. With the victory of socialism in the USSR, the false theory of the eternity of private property and the capitalist system was completely exposed. The building of socialism is being successfully built in the European people's democracies. The great revolutionary transformations in China's economy have created the preconditions for the gradual building of socialism in this largest country in the East.. Communist society, of which socialism is the first stage, is the ultimate goal of the struggle of the working people of all countries.

Political economy gives the working class and all working people confidence in the victory of socialism, showing that this victory is conditioned by the entire previous course of historical development.

2. Political economy, based on the experience of the USSR and the people's democracies, teaches how the working people of the capitalist countries can break out of capitalist bondage. It shows that the oppression and impoverishment of the working people in bourgeois countries do not depend on accidental causes, but are rooted in the capitalist economic system and are determined by the economic laws inherent in this system. Crises, unemployment, the impoverished state of the masses cannot disappear without a change in the very basis of production relations, that is, without the transfer of the means of production from the private property of the capitalists and landlords to the public property of the working people.

By revealing the opposition between the foundations of bourgeois and socialist economics, the irreconcilability of the class interests of the bourgeoisie, on the one hand, and of the proletariat and all working people, on the other, political economy shows the impossibility of a peaceful "growing" of capitalism into socialism. No attempts to reform, "improve" capitalism can do away with the system of wage slavery. The Great October Socialist Revolution irrefutably proved that only by eliminating the very foundations of capitalism can the working class and the working peasantry get rid of the bondage of the exploiters and enter the path of a free, prosperous, and cultured life. Historical experience fully confirms the correctness of the Marxist thesis about the inevitability of a socialist revolution, that the replacement of capitalism by socialism is impossible without the establishment of the power of the working people, without the dictatorship of the proletariat, without an alliance between the working class and the peasantry. To achieve this goal, it is necessary to have a Communist Party capable of preparing the proletariat and the broad working masses for a decisive struggle against the bourgeoisie and organizing the victory of the socialist revolution that overthrows the power of the obsolete ruling class and establishes the power of a new, advanced class.

Political economy shows that the enslavement and plunder of the colonial peoples by the mother countries is determined by the very essence of imperialism, which is closely connected with the feudal-landlord and bourgeois-comprador circles of the colonial countries. The peoples of the colonial and semi-colonial countries can get rid of slavery, poverty, and backwardness only by liberating themselves from the yoke of imperialism and its local vassals, by destroying the survivals of feudalism and by carrying out fundamental democratic reforms. The colonial countries, having broken with the system of imperialism and secured their independence, can, with the economic support of the USSR and other countries of the socialist camp, bypass the painful path of capitalist development and gradually create the prerequisites for the transition to socialist construction.

The overthrow of the capitalist system in one bourgeois country or another and its replacement by socialist systems, the falling away from the system of imperialism of a colonial country and the implementation of democratic transformations in it do not occur as a result of the "export of the revolution", which is an invention of the imperialists, but because of deep internal needs. economic development of these countries.

3. Political economy teaches how to transform the economy in the spirit of socialism. The transition to socialism cannot be carried out along arbitrarily chosen paths, but is a natural process. Political economy shows that in the transitional period from capitalism to socialism, due to the operation of objective economic laws, the nationalization of large-scale capitalist production, the socialist industrialization of the country, and the collectivization of peasant farms are carried out in a certain sequence. The building of socialism takes place in an uncompromising struggle against the capitalist elements in town and country.

Political economy has exposed the false fabrications of bourgeois ideologists that the working class, having come to power, is incapable of organizing the economy. The historical experience of the USSR has shown what an inexhaustible creative force the power of the working people gives rise to. For the first time in history, the working class, the working people of a vast country occupying one-sixth of the globe, threw off the yoke of exploitation and oppression, became the masters of their country and created a socialist system that ensures a steady rise in the productive forces, social wealth, material well-being and culture of the masses. This proves that the people can successfully do without exploiters, that the working class, the working masses, are capable not only of destroying the old, bourgeois economic system, but also of building a new, immeasurably higher socialist economic system.

Political economy provides an economic justification for the need for the leading role of the working class in socialist construction, for a firm alliance between the working class and the peasantry, with the

aim of building socialism and abolishing the exploitation of man by man. The alliance between the working class and the peasantry is the indestructible foundation of the social system in all countries of the socialist camp. On the basis of an alliance between the working class and the peasantry, the centuries-old peasant question is being resolved, a transition is being made from small individual peasant farming to large-scale collective farming, which saves the peasantry from ruin and poverty. The victory of the collective-farm system in the USSR actually refuted the fabrications of the bourgeoisie that the peasantry was allegedly incapable of embarking on the path of socialism.

Political economy summarizes the historical experience of building socialism in the USSR. It shows how a previously impoverished and weak country, which was pre-revolutionary Russia, has turned into a rich and powerful country, which is the Soviet Union. From the treasury of Soviet experience, the People's Democracies draw knowledge of the proven paths of socialist construction, the laws of the class struggle in the transitional period, the knowledge of how the working class can achieve unbreakable friendship and a lasting alliance with the peasantry, how to strengthen the economic bond between town and country, how to achieve victory over exploitative classes and build a socialist society.

The use of the Soviet experience requires careful consideration of the specific features of the economy and class relations in each country, which are determined by the totality of the historical conditions of its development. In the people's democracies, the building of socialism is proceeding under more favorable conditions than it took place in the Soviet Union, since at present there is a powerful socialist camp headed by the Soviet Union and a wealth of experience in socialist construction has been accumulated.

4. Political economy teaches that practical work for socialist construction can be successful only if it is based on the economic laws of the development of society.

Knowledge of economic laws makes it possible to penetrate deep into the essence of economic processes, to reveal progressive development trends when they are still in their infancy, to scientifically foresee the course of economic development and direct it in accordance with the tasks of building socialism. Political economy equips cadres for the struggle for the victory of the new, progressive over the old, obsolete. Scientific knowledge of the economic laws studied by political economy forms the basis of the economic policy of the communist and workers' parties in power in the countries of the socialist camp. Guided by the Marxist-Leninist theory, knowledge of objective economic laws, these parties develop and implement a scientifically based and practically tested policy that reflects the needs of the development of the material life of society, the fundamental interests of the people, act as inspirers and organizers of the revolutionary energy and creativity of the masses.

By shedding light on the operation of the basic economic law of socialism, political economy orients cadres to organize their work in accordance with the goal of socialist production—the maximum satisfaction of the material and cultural needs of the people. Political economy reveals the conditions for the continuous growth and improvement of production on the basis of higher technology.

Political economy shows that free flow is profoundly alien to the economic system of socialism, that the construction of socialist society can be carried out only in the order of planned management of the economy on the basis of the law of planned development of the national economy, in accordance with the requirements of the basic economic law of socialism. The study of the law of the planned development of the national economy helps to use material, financial, and labor resources wisely and correctly combine all the elements of production.

Political economy shows that the main, decisive condition for the further upswing and all-round development of the national economy is the all-round increase in labor productivity in all sectors—in industry, transport, and agriculture. Continuous growth in labor

productivity is the main condition for solving the problem of maximum satisfaction of the needs of the people, for successful economic competition with the most developed capitalist countries.

Political economy reveals the enormous importance for socialist construction of the interest of the masses in a steady rise in production, which follows from socialist relations of production. It shows the role of socialist emulation as a powerful motive force for the economic development of socialist society. Revealing the role and significance of the law of distribution according to work for the development of the socialist economy, political economy orients cadres towards the consistent implementation of differentiated wages in all sectors of the national economy in direct proportion to its results, towards the elimination of elements of leveling.

Political economy elucidates the significance of the skillful use of the law of value and the economic instruments associated with it for socialist construction. Understanding the operation of the law of value under socialism serves as an important means for cadres to improve production methods, reduce the cost of production, strengthen economic accounting, and raise the profitability of enterprises, develop trade, and improve the financial system. Political economy reveals the enormous possibilities available in the socialist planned economy for implementing a strict austerity regime and increasing socialist accumulation.

The Soviet Union and the people's democracies are characterized by a steady increase in the creative activity of the masses in economic and cultural construction. Therefore, knowledge by the masses of the laws of economic development and the principles of socialist economic management is becoming increasingly important. By arming the cadres with the knowledge of economic laws, political economy makes it possible to use and apply these laws more and more successfully in practice, and thereby raise the efficiency of all work in building socialism and communism.

The political economy of socialism helps business executives and the broad masses of working people to find and use the hidden reserves hidden in the depths of production and to prevent them from falling into bottlenecks. On the other hand, it teaches to fully take into account real economic conditions and warns against actions based on the principle: "we can do everything", "we don't care about anything".

By revealing the interrelationship of economic processes, political economy makes it possible for every worker to understand the significance of his activity for the development of the entire socialist system of the national economy. It teaches the understanding that under socialism the interests of the whole people, the interests of the whole state, are above all else.

5. Political economy shows that socialism is the most progressive mode of production, having decisive advantages over capitalism. This finds its vivid expression in the contrast between the basic economic laws of socialism and capitalism, which determine two different lines of development.

Whereas in capitalist countries production is subordinated to the predatory law of maximizing profits, which dooms the working people to ruin and poverty, unemployment, and hunger, to bloody wars, in socialist society production is subordinated to the interests of man and the satisfaction of his growing needs.

If the economy of the capitalist countries is characterized by the fact that the productive forces are marking time, parasitism and decay of capitalism are intensifying, and devastating economic crises are accompanied by the plunder of material values, then the economy of the Soviet Union and the people's democracies is characterized by a steady rise in production, technical progress, ensuring the constant improvement of production in base of higher technology.

In contrast to capitalism, where the economy, under the influence of its militarization, develops one-sidedly, mainly along the lines of

industries working for war, which entails an increase in taxes and an increase in prices for consumer goods, socialism is characterized by the development of a peaceful economy, the widespread deployment of civilian industry, which is accompanied by a systematic decrease in prices for personal consumption goods, an increase in real incomes of the population.

While capitalism is characterized by competitive struggle between countries, the enslavement of some countries by others, socialism is characterized by friendly economic and cultural cooperation between the countries that make up the socialist camp, with a view to the general economic advance of these countries and the flourishing of their culture. The new world democratic market of the socialist camp is expanding more and more, which is one of the important factors for the prosperity of the socialist economy.